

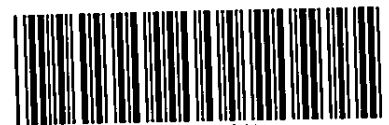
Registered Number: 2478762

RYOBI TECHNOLOGIES (UK) LIMITED

Report and Financial Statements

31 December 2007

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RYOBI TECHNOLOGIES (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

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RYOBI TECHNOLOGIES (UK) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

H. Pudwill
R. Chi Ping Chung
M. Pearson (resigned June 30th 2008)
A. Duarte (appointed February 6th 2008)
K. Wilson (appointed July 1st 2008)

SECRETARY

D. Zuliani (resigned September 30th 2008)
M. Stevenson (appointed August 10th 2007 and resigned September 30th 2008)
T. Haigh (appointed September 10th 2008)

REGISTERED OFFICE

Medina House
Fieldhouse Lane
Marlow
Buckinghamshire
SL7 1TB

AUDITORS

Deloitte LLP
Chartered Accountants

BANKERS

HSBC Bank Plc
PO BOX 68
130 New Street
Birmingham
B2 4JU

SOLICITORS

Chebsey & Co
51 London End
Beaconsfield
HP9 2HW

RYOBI TECHNOLOGIES (UK) LIMITED

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report, for the year ended 31 December 2007.

PRINCIPAL ACTIVITIES

The principal activity of the company continues to be the sale and distribution of powered tools.

BUSINESS REVIEW AND FUTURE PROSPECTS

Results for the year

Turnover for 2007 was £36,043k, up from £29,565k in 2006. Operating losses in 2007 were £4k, up from £114k in 2006. In February 2007 a new range of solar lighting products was launched under the brand name of FLC (Fine Lighting Company). The turnover for this range in 2007 was £2.8million. Full details of the company's performance are given in the profit and loss account on page 6 and the notes on pages 10 and 11.

Financial position

The position of the company at the end of the year is set out in the balance sheet on page 7 and the notes on pages 12 to 15.

Future prospects

The directors are confident that the turnover growth experienced in 2007 will continue into 2008, and are also anticipating growth in market share.

Principle Risks and Uncertainties

Principal risks and uncertainties facing the business are related to the USD/GBP exchange rate fluctuations. The company mainly purchases its products in USD and sell them in GBP and is therefore exposed to currency fluctuations. Such risk is monitored and mitigated via implementation of FX risk management instruments such as forward exchange contracts.

Also, some of the products sold by the company are weather related (Lawn & Garden and Solar Lighting products) and as such are affected by weather conditions.

The directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook. The TTI group are committed to support Ryobi trade as a going concern for at least 12 months from the signing of these accounts.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Key Performance indicators

Main Key Performance Indicators for the company are as follows:

1. Net sales : 2007 performance has shown an 22% improvement versus prior year data.
2. Operating Margin pre finance costs and other non operating expenses: 2007 performance shows a significant improvement compared to 2006 with a reduction of the Operating Loss from £114K to £4K
3. Result for the year: for the first time since its creation the company has achieved a positive net result for the year reporting a net income of £35,885k versus losses recorded in prior years (2006 losses of £610,604k)
4. Working capital : following the increase in sales and some timing issues the net inventory value at year end has significantly increased compared to 2006 (increase of £ 4.4million). The bank overdraft has accordingly increased due to payments to suppliers of products (mainly intercompany). The receivable balance is also showing an increase following the increase in sales.

DIRECTORS

The directors who served during the period and to the date of this report unless stated otherwise are set out on page 1.

FINANCIAL RESULTS AND DIVIDENDS

The company made a profit of £35,885k (2006: loss of £610,604k). The directors do not propose the payment of a dividend (2006: £Nil).

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 ought to have taken as a director in order to make himself 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 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.

Approved by the Board and signed
on behalf of the Board



T Haigh
Secretary

17 January 2009

RYOBI TECHNOLOGIES (UK) 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 judgements 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for 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 RYOBI TECHNOLOGIES (UK) LIMITED

We have audited the financial statements of Ryobi Technologies (UK) Limited for the year ended 31 December 2007 which comprise the profit and loss account, the balance sheet and the related notes 1 to 21. 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 if, in our opinion, the information given in the Directors' Report is 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 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; and
- 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 LLP
Chartered Accountants and Registered Auditors
Reading, UK
27 January 2009

RYOBI TECHNOLOGIES (UK) LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2007

	Note	2007 £000	2006 £000
TURNOVER	2	36,042,902	29,565,306
Cost of sales		(27,274,694)	(22,711,015)
Gross profit		<u>8,768,208</u>	<u>6,854,291</u>
Distribution costs		(6,123,456)	(4,854,690)
Administrative expenses		(2,648,831)	(2,114,037)
		<u>(8,772,287)</u>	<u>(6,968,727)</u>
NET OPERATING LOSS ON ORDINARY ACTIVITIES BEFORE FINANCE INCOME/(CHARGES)	4	(4,079)	(114,436)
Net Finance income/(charges)	5	<u>39,964</u>	<u>(496,168)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION, RETAINED FOR THE YEAR AND TRANSFERRED TO/(FROM) RESERVES	15	<u>35,885</u>	<u>(610,604)</u>

All results derive from continuing operations.

There are no recognised gains or losses for the current financial year and preceding financial year other than as stated in the profit and loss account. Accordingly, a statement of total recognised gains and losses has not been presented.

RYOBI TECHNOLOGIES (UK) LIMITED

BALANCE SHEET

As at 31 December 2007

	Note	2007 £000	2006 £000
FIXED ASSETS			
Tangible assets	7	935,786	502,466
CURRENT ASSETS			
Stocks	8	10,574,010	6,170,627
Debtors due within one year	9	13,155,286	9,244,208
Cash at bank and in hand		870,995	2,560
		<u>24,600,291</u>	<u>15,417,395</u>
CREDITORS: Amounts falling due within one year			
Bank overdraft		(8,150,281)	(3,150,547)
Trade creditors		(1,895,210)	(829,582)
Amounts owed to group companies	10	(9,045,285)	(3,823,534)
Other creditors including taxation and social security	11	(2,473,941)	(4,429,608)
		<u>(21,564,717)</u>	<u>(12,233,271)</u>
NET CURRENT ASSETS		<u>3,035,574</u>	<u>3,184,124</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,971,360</u>	<u>3,686,590</u>
CREDITORS: Amounts falling due after more than one year			
Amounts owed to group companies	12	(6,905,531)	-
NET (LIABILITIES)/ ASSETS		<u>(2,934,171)</u>	<u>3,686,590</u>
CAPITAL AND RESERVES			
Called up share capital	13	4,000,000	4,000,000
Capital contributions	14	-	6,656,646
Profit and loss account	15	(6,934,171)	(6,970,056)
TOTAL SHAREHOLDER'S (DEFICIT)/FUNDS	15	<u>(2,934,171)</u>	<u>3,686,590</u>

These financial statements were approved by the Board of Directors on 27 January 2009
Signed on behalf of the Board of Directors


K. Wilson
Director

RYOBI TECHNOLOGIES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2007

1. ACCOUNTING POLICIES

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

Accounting convention

The financial statements are prepared under the historical cost convention.

The company's business activities and principle risks and uncertainties are detailed in the directors' report. Having considered these risks and the economic environment, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No.1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its ultimate parent publishes a consolidated cash flow statement.

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, returns, VAT and other sales-related taxes.

Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life as follows:

Motor vehicles	33.3% per annum
Computer equipment	33.3% per annum
Fixtures, fittings and equipment	10% per annum

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes purchase price, freight, duty and container unloading. Net realisable value is based on estimated selling price less further costs to completion and all relevant marketing, selling and distribution costs. Provision is made for obsolete, slow moving or defective items where appropriate.

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 recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

RYOBI TECHNOLOGIES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2007

1. ACCOUNTING POLICIES (continued)

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate and the exchange differences are included in the profit and loss account.

Derivative financial instruments

The company uses derivative financial instruments in the form of forward exchange contracts to reduce the exposure to foreign exchange risk. The company does not hold or issue derivative financial instruments for speculative purposes.

Gains and losses arising from these contracts are deferred and recognised in the profit and loss account only when the hedged transaction has itself been reflected in the company's financial statements.

Leases

Rentals under operating leases are charged on a straight line basis over the lease term even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Bank Borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Pension costs

The company operates a defined contribution scheme and makes payments to individual personal pension plans. The amount charged to the profit and loss account in respect of pension costs is the contribution payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

RYOBI TECHNOLOGIES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2007

2. REVENUE

Turnover arises in the UK and Ireland and relates to the company's principal activity.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2007 £	2006 £
Directors' remuneration:		
Emoluments (including pension contributions)	312,217	209,960
	<u>312,217</u>	<u>209,960</u>
	2007 £	2006 £
Staff costs (excluding directors emoluments):		
Wages and salaries	2,370,647	1,704,570
Social security costs	416,308	273,937
Pension contributions	128,191	95,231
	<u>2,915,146</u>	<u>2,073,738</u>
	2007 No.	2006 No.
Average number of persons employed (including directors):		
Sales and distribution	84	62
Administration	13	11
	<u>97</u>	<u>73</u>

Only one of the directors of the company is on the payroll of Ryobi Technologies (UK) Ltd.
All the other directors are employed by the ultimate parent company and therefore their remuneration is accounted for and reported in the ultimate parent company accounts.

RYOBI TECHNOLOGIES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2007

4. OPERATING LOSS

	2007 £	2006 £
Operating loss is after charging:		
Depreciation – owned assets	203,312	168,550
Rentals under operating leases:		
Hire of plant and machinery	161,206	82,847
Other operating leases	178,305	127,002
Auditors' remuneration	39,000	29,946
Group Management Recharges	257,664	241,327
Exchange loss	624,174	332,383

5. NET FINANCE INCOME/(EXPENSE)

	2007 £	2006 £
Interest payable and similar charges	(636,510)	(506,074)
Interest receivable and similar income	676,474	9,906
	<u>39,964</u>	<u>(496,168)</u>
Interest payable and similar charges:		
- bank interest	(378,517)	(392,895)
- other interest payable	(257,993)	(113,179)
	<u>(636,510)</u>	<u>(506,074)</u>
Interest receivable and similar income:		
- bank interest	3,053	9,906
- similar income	673,421	-
	<u>676,474</u>	<u>9,906</u>

6. TAX ON LOSS ON ORDINARY ACTIVITIES

There is no current or deferred tax to be recognised for the current or previous year.

The standard rate of corporation tax for the year, based on the UK standard rate of corporation tax, is 30%. The actual tax charge for the current and the previous year differs from the standard rate for the reasons set out in the following reconciliation:

	2007 %	2006 %
Standard tax rate for the period as a percentage of losses/profits	30	30
Expenses not deductible for tax purposes	403	(24)
Capital allowances in excess of depreciation	127	2
Movement in tax losses	(91)	(8)
Movement in short term timing differences	(469)	-
	<u>-</u>	<u>-</u>

RYOBI TECHNOLOGIES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2007

6. TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

There is a potential deferred tax asset of £1,121,641 (2006: £1,446,794) for previous losses and non trade loan relationship deficit has not been recognised as there is insufficient evidence that the asset will be recovered. The asset would be recovered if sufficient taxable profit arose in the company in the future against which the losses could be relieved.

7. TANGIBLE FIXED ASSETS

	Motor vehicles £	Computer equipment £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 January 2007	58,507	237,626	591,911	888,044
Additions	46,955	46,352	543,630	636,937
Disposals	(27,930)	-	-	(27,930)
At 31 December 2007	77,532	283,978	1,135,541	1,497,051
Accumulated depreciation				
At 1 January 2007	44,712	180,994	159,872	385,578
Charge for the year	16,627	43,480	143,205	203,312
Disposals	(27,625)	-	-	(27,625)
At 31 December 2007	33,714	224,474	303,077	561,265
Net book value				
At 31 December 2006	13,795	56,632	432,039	502,466
At 31 December 2007	43,818	59,504	832,464	935,786

8. STOCKS

	2007 £	2006 £
Goods for resale	10,574,010	6,170,627

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

9. DEBTORS

	2007 £	2006 £
Trade debtors	8,964,755	6,447,865
Amounts owed by group companies	2,158,239	1,893,726
Other debtors	1,140,183	443,044
Prepayments and accrued income	892,109	459,573
	13,155,286	9,244,208

RYOBI TECHNOLOGIES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 December 2007

10. AMOUNTS OWED TO GROUP COMPANIES – DUE WITHIN 1 YEAR

	2007 £	2006 £
Amounts owed to ultimate parent company	3,913,902	1,873,286
Amounts owed to group undertakings	5,131,383	1,950,248
	<u>9,045,285</u>	<u>3,823,534</u>

11. OTHER CREDITORS INCLUDING TAXATION AND SOCIAL SECURITY

	2007 £	2006 £
Taxation and social security	64,803	2,010,397
Accruals and deferred income	2,409,138	2,419,211
	<u>2,473,941</u>	<u>4,429,608</u>

12. AMOUNTS OWED TO GROUP COMPANIES – DUE AFTER MORE THAN 1 YEAR

	2007 £	2006 £
Amounts owed to ultimate parent company	4,028,789	-
Amounts owed to immediate parent company	2,876,742	-
	<u>6,905,531</u>	<u>-</u>

The amounts owed to the ultimate parent company represents a loan with no repayment date, not repayable on demand and interest free. Such loan is not repayable until and unless all loans from third parties have been repaid.

The amounts owed to the immediate parent company represents an interest free loan not repayable until and unless all loans due to third parties have been repaid.

The loan is expressed in Euros and is in the amount of Euro 3,900,000 and it is converted in local currency (GBP) at year end rate.

In the prior year these loans were accounted for as capital contributions (see note 14).

13. CALLED-UP SHARE CAPITAL

	2007 £	2006 £
Authorised, allotted, issued and fully paid		
4,000,000 Ordinary shares of £1 each	<u>4,000,000</u>	<u>4,000,000</u>

RYOBI TECHNOLOGIES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2007

14. CAPITAL CONTRIBUTIONS

	2007	2006
	£	£
Conversion of loan from Immediate Parent Company	-	2,627,858
Conversion of pre-existing loans from Ultimate Parent Company	-	2,647,772
Conversion of Trade Payables to Ultimate Parent Company	-	1,381,016
	<u>-</u>	<u>6,656,646</u>

In the current year these balances have been transferred to loans (See note 12)

15. COMBINED RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS/(DEFICIT) AND STATEMENT OF MOVEMENTS ON RESERVES

	Called up share capital £	Capital contribution £	Profit and loss account £	2007 Totals £	2006 Totals £
At beginning of year	4,000,000	6,656,646	(6,970,056)	3,686,590	(2,359,452)
Contribution from parent company	-	-	-	-	6,656,646
Revaluation of loan from Immediate Parent Company	-	248,885	-	248,885	-
Reclassification of capital contributions to long term loans	-	(6,905,531)	-	(6,905,531)	-
Retained profit/(loss) for year	-	-	35,885	35,885	(610,604)
At end of year	<u>4,000,000</u>	<u>-</u>	<u>(6,934,171)</u>	<u>(2,934,171)</u>	<u>3,686,590</u>

16. OPERATING LEASE COMMITMENTS

At 31 December 2007, the company was committed to making the following payments during the next year in respect of operating leases:

	Land and buildings 2007 £	Other 2007 £	Land and buildings 2006 £	Other 2006 £
Leases which expire:				
Within one year	-	14,178	-	17,913
Within two to five years	182,999	148,352	159,718	34,283
After five years	567,585	-	-	-
	<u>750,584</u>	<u>162,530</u>	<u>159,718</u>	<u>52,196</u>

RYOBI TECHNOLOGIES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2007

17. FINANCIAL COMMITMENTS

The company has a letter of guarantee of £300,000 in favour of H M Customs & Excise in respect of import duties.

At the year end, there were outstanding bills of exchange totalling US\$ 13,758,912 (2006: \$5,869,685) and £113,833 (2006: £40,080)

The company has contracted to purchase US\$ 27,600,000 (2006: US\$32,550,000) and to sell US\$ 3,300,000 (Nil in 2006) at various rates in the period January to December 2008 to meet expected liabilities for the purchase of supplies in the normal course of business. The fair value of the forward contracts in place as at 31 December 2007 is £264,000.

18. PENSION SCHEME

The company operates a defined contribution scheme and makes contributions to a group personal pension scheme on behalf of employees. The scheme assets are held in separate trustee administered funds. Additional contributions are made to individual personal pension plans for employees who elect not to be within the company scheme. Contributions made to the scheme during the year amounted to £128,191 (2006: £95,231). £103,402 (2006: £71,526) is included in creditors, in respect of unpaid contributions.

19. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption contained in Financial Reporting Standard No.8 from the requirement to disclose related party transactions within the group.

20. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The directors consider that One World Technologies Sarl, a company incorporated in Luxemburg, is the immediate parent company and that Techtronic Industries Co. Ltd. is the ultimate parent and controlling party.

Techtronic Industries Co. Ltd is the only group to consolidate the results of the company.

Accounts of the ultimate parent company can be obtained from 24/F., CDW Bldg., 388 Castle Peak Road, Tsuen Wan, NT., Hong Kong.

21. ADOPTION OF FINANCIAL REPORTING STANDARD FRS20 "SHARE-BASED PAYMENTS"

Some of the directors of the company are part of the ultimate parent company (Techtronic Industries Ltd) share options scheme.

In accordance with the transitional provisions, FRS20 has been applied to all grants of equity instruments in the relevant periods after 7 November 2002 that were unvested as of 1 January 2005

No share options were granted to employees of Ryobi Technologies (UK) Ltd in 2006 and therefore no related expenses in recognised in such year.

In the year 2007, share options of 350,000 were granted. The share option expense is recognised in the ultimate parent company accounts as an expense on a straight-line basis over the vesting period: amount charged to the Profit and Loss account for 2007 was for HK\$220,585.

Due to the immateriality of this amount in GBP (approximately GBP 14,000) such expense has not been charged to the Profit and Loss account of Ryobi Technologies (UK) Ltd.