

AL-KO KOBER HOLDINGS LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2009

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AL-KO KOBER HOLDINGS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

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AL-KO KOBER HOLDINGS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

Directors	H Kober R Kober B Sharratt
Company secretary	R Kober
Registered office	12 York Gate Regent's Park London NW1 4QS
Auditors	Blick Rothenberg Chartered Accountants and Registered Auditors 12 York Gate Regent's Park London NW1 4QS

AL-KO KOBER HOLDINGS LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2009

The directors present their report and the audited financial statements of the group for the year ended 31 December 2009

Principal activity

The principal activity of the group continued to be that of the manufacture and distribution of vehicle components

Review of the business and future developments

The results for the year and the financial position at the year end were considered satisfactory by the directors in the light of current economic circumstances. The directors view the future with cautious optimism.

Results and dividends

The profit for the year, after taxation, amounted to £480,321. The directors have not recommended a dividend.

The directors did not pay a dividend during the year (2008: £nil).

It is proposed to transfer the profit for the year of £480,321 to reserves.

Management control policy, business risks, principles and the use of key performance indicators

The UK group is managed on a basis which is in accordance with the principles of the AL-KO Kober Group. This is clearly identified within the UK Groups mission statement, and the group objective to be market leaders in every market sector in which it operates. It also strives, through a rigorous management review of its key performance indicators, to increase and improve its capability and competence through constant innovation and continuous improvement.

The direction and management of the UK Group is data driven through ongoing analysis of our key performance indicators. Review procedures, including but not restricted to, are as follows:

- Customer satisfaction
- Quality, delivery and competitive performance
- Health and safety
- Environmental improvement
- Sales growth and profitability
- Growth and improvement in people capability through continuous education and communication guided and approved by the principles of the Investors in People standard
- Strong financial and commercial management through sound contractual agreement review, and working in partnership with our customers and in the industries that we support
- Strict conformance to the AL-KO brand promise of "Quality, safety and performance"

In the light of the foregoing it is heartening to note that profit before tax has increased from £300,060 to £694,124, despite the prevailing economic conditions in place during the year. Turnover in the year fell from £26,139,252 to £22,642,918, which reflects the tough economic environment.

AL-KO KOBER HOLDINGS LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2009

Health and safety

AL-KO Kober is enthusiastic in seeking to provide a safe and healthy working environment in which all its employees can prosper and grow. It has an appointed senior manager with specific responsibility to work with the directors of the group, and the employees, in order to fulfil and exceed the expectations of the law, the Kober family, and our insurers. In line with the agreed group policy, the management and employees carry out risk assessments and regular reviews to ensure complete conformance with all measures designed to ensure a safe working environment.

Environmental policy

It is an AL-KO group policy that all companies must operate in such a way that maximum environmental protection is ensured. Everybody in the company can contribute towards creating an environment which increases the quality of life. Energy and other raw materials should not be wasted. Each of us will help to achieve this goal. AL-KO Kober is actively working towards approval to the Environmental Standard ISO 14001.

Customer satisfaction

AL-KO Kober is totally customer driven. It believes that we must listen to our customers, meet their requests, and even strive to surpass them. In this way we will be able to secure the profit and growth necessary to secure our future, and be able to invest in market growth and new product development. The company values and maintains its business approvals to ISO 9001, IIP, and Q100. It is also enthusiastic in its support of the National Caravan Council, the Society of Motor Manufacturers and Traders, European Standards organisations and the European Caravan Federation.

The Kober family and its directors believe that the strength of our company lies in our principles. They are standards for our way of thinking, decisions and actions.

Foreign currency exchange rates

The UK Group is exposed to foreign currency exchange rate fluctuations, due to its transactions with group members. The company manages its foreign exchange requirements and exposure on an ongoing basis and uses a range of financial instruments, such as currency bank accounts, to minimise risk and exposure.

Directors

The directors who served the company during the year are as follows:

H Kober
R Kober
B Sharratt

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 group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

AL-KO KOBER HOLDINGS LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2009

Directors' responsibilities *(continued)*

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, 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 group will continue in business

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

So far as each person serving as a director of the company at the date this report is approved is aware, there is no relevant audit information of which the company's auditors are unaware and each director hereby confirms that he 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.

Donations

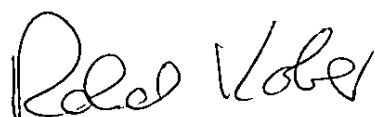
During the year the group made the following contributions

	2009 £	2008 £
Charitable	<u>225</u>	<u>300</u>

Auditors

Blick Rothenberg are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Signed by order of the directors



R KOBER
Director

10th MARCH 2010

AL-KO KOBER HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AL-KO KOBER LIMITED

YEAR ENDED 31 DECEMBER 2009

We have audited the consolidated financial statements of Al-Ko Kober Holdings Limited for the year ended 31 December 2009 set out on pages 7 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement set out on pages 3 to 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

give a true and fair view of the state of affairs of the company and the group as at 31 December 2009 and of its profit for the group 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

AL-KO KOBER HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AL-KO KOBER LIMITED

YEAR ENDED 31 DECEMBER 2009

Matters on which we are required to report by exception

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, or returns adequate for our audit have not been received from branches not visited by us, or

the financial statements are not in agreement with the accounting records and returns, or

certain disclosures of directors' remuneration specified by law are not made, or

we have not received all the information and explanations we require for our audit



Andrew Sanford (Senior Statutory Auditor)

For and on behalf of

BLICK ROTHENBERG

Chartered Accountants and
Statutory Auditor

12 York Gate
Regent's Park
London, NW1 4QS

18 March 2010

AL-KO KOBER HOLDINGS LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2009

	Note	2009 £	2008 £
Turnover	2	22,642,918	26,139,252
Operating costs	3	<u>(21,890,929)</u>	<u>(25,822,066)</u>
Operating profit	5	751,989	317,186
Interest receivable	7	84,245	42,079
Interest payable and similar charges	8	<u>(142,110)</u>	<u>(59,205)</u>
Profit on ordinary activities before taxation		694,124	300,060
Tax on profit on ordinary activities	9	<u>(213,803)</u>	<u>(103,627)</u>
Profit for the financial year		<u>480,321</u>	<u>196,433</u>

All of the activities of the group are classed as continuing

AL-KO KOBER HOLDINGS LIMITED**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES****YEAR ENDED 31 DECEMBER 2009**

	2009 £	2008 £
Profit for the financial year	480,321	196,433
Actuarial loss relating to pension liability	(50,400)	(128,160)
Total gains and losses recognised since the last annual report	<u>429,921</u>	<u>68,273</u>


AL-KO KOBER HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET

31 DECEMBER 2009

	Note	Group 2009 £	2008 £	Company 2009 £	2008 £
Fixed assets					
Tangible assets	12	3,871,074	3,985,841	–	–
Investments	13	–	–	1,027,103	1,027,103
		<u>3,871,074</u>	<u>3,985,841</u>	<u>1,027,103</u>	<u>1,027,103</u>
Current assets					
Stocks	14	1,885,320	1,746,080	–	–
Debtors	15	5,579,748	3,788,844	–	–
Cash at bank		2,027,891	2,583,204	–	–
		<u>9,492,959</u>	<u>8,118,128</u>	–	–
Creditors: Amounts falling due within one year	17	(2,433,620)	(1,565,960)	–	–
Net current assets		<u>7,059,339</u>	<u>6,552,168</u>	–	–
Total assets less current liabilities		<u>10,930,413</u>	<u>10,538,009</u>	<u>1,027,103</u>	<u>1,027,103</u>
Provisions for liabilities and charges					
Other provisions	19	(252,184)	(258,741)	–	–
Net assets before pension and post-retirement liabilities		<u>10,678,229</u>	<u>10,279,268</u>	<u>1,027,103</u>	<u>1,027,103</u>
Pension and post-retirement liabilities	18	(847,440)	(878,400)	–	–
Net assets		<u>9,830,789</u>	<u>9,400,868</u>	<u>1,027,103</u>	<u>1,027,103</u>
Capital and reserves					
Called-up share capital	22	2,300,000	2,300,000	2,300,000	2,300,000
Share premium account	23	327,103	327,103	327,103	327,103
Profit and loss account	23	7,203,686	6,773,765	(1,600,000)	(1,600,000)
Shareholder's funds	24	<u>9,830,789</u>	<u>9,400,868</u>	<u>1,027,103</u>	<u>1,027,103</u>

These financial statements were approved by the board of directors and authorised for issue on 10th MARCH 2010, and are signed on their behalf by



R KOBER
Director

AL-KO KOBER HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

1. Accounting policies

1.1 Basis of accounting

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with applicable accounting standards

1.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and its subsidiary undertakings

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group accounts by virtue of section 408 of the Companies Act 2006

1.3 Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the group is wholly owned and its parent publishes a consolidated cash flow statement

1.4 Turnover

Turnover represents amounts receivable for goods and services, net of VAT and trade discounts

1.5 Fixed assets

All fixed assets are initially recorded at cost

1.6 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

Freehold property	2% straight line
Plant and machinery	10% - 25% straight line
Motor vehicles	25% straight line

Freehold land is not depreciated

1.7 Stocks and work in progress

Stock is valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. The cost of finished goods comprises materials, direct labour and attributable production overheads. Net realisable value is based on estimated selling price less any further costs that are expected to be incurred to completion and disposal.

Work in progress comprises materials, direct labour and attributable production overheads. No element of profit is included in the valuation of work in progress.

1.8 Leases

Operating lease rentals are charged to the profit and loss account in equal instalments over the lease term.

AL-KO KOBER HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

1. Accounting policies (*continued*)

1.9 Pension costs

The group operates two defined benefit pension schemes. The assets of the schemes are held in separate trustee administered funds.

Regular valuations are prepared by independent professionally qualified actuaries. These determine the level of contributions required to fund the benefits set out in the rules of the scheme and allow for the periodic increase of pensions in payment. The regular service cost of providing retirement benefits to employees during the year, together with the cost of any benefits relating to past service is charged to the operating profit in the year.

A credit representing the expected return on the assets of the retirement benefit schemes during the year is included within other finance income. This is based on the market value of the assets of the schemes at the start of the financial year.

A charge within other finance charges representing the expected increase in the liabilities of the retirement benefit scheme during the year. This arises from the liabilities of the scheme being one year closer to payment.

The difference between the market value of assets and the present value of accrued pension liabilities is shown as an asset or liability in the balance sheet net of deferred tax.

Differences between actual and expected returns on assets during the year are recognised in the statement of total recognised gains and losses in the year, together with differences arising from changes in assumptions.

The group also operates a defined contribution pension scheme. Contributions to the defined contribution scheme are charged to the profit and loss account as they become payable.

1.10 Provisions for liabilities and charges

Provisions for the expected costs of maintenance under guarantees are charged against profits when products have been invoiced. The effect of the time value of money is not material and therefore the provisions are not discounted.

1.11 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 exception:

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.

1.12 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

AL-KO KOBER HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

1. Accounting policies (*continued*)

1.13 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1.14 Investments

Fixed asset investments are stated at cost, less provision for any diminution in value.

2 Turnover

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

A geographical analysis of turnover is given below.

	2009 £	2008 £
United Kingdom	22,334,116	25,891,314
Rest of Europe	288,305	233,962
Rest of world	20,497	13,976
	<u>22,642,918</u>	<u>26,139,252</u>

3. Net operating expenses

	2009 £	2008 £
Change in stocks of finished goods and work in progress	(139,240)	362,110
Other external charges	17,800,559	20,399,007
Staff costs (note 4)	2,487,590	2,817,858
Depreciation of fixed assets	210,347	249,245
Other operating charges	1,531,673	1,993,846
	<u>21,890,929</u>	<u>25,822,066</u>

AL-KO KOBER HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

4. Particulars of employees

The average number of staff, including the directors, employed by the group during the financial year was

	2009	2008
	Number	Number
Production	37	47
Administration	20	22
Selling and distribution	18	18
	<u>75</u>	<u>87</u>

The aggregate payroll costs of the above were

	2009	2008
	£	£
Wages and salaries	2,019,306	2,333,559
Social security costs	192,159	227,615
Other pension costs	276,125	256,684
	<u>2,487,590</u>	<u>2,817,858</u>

5. Operating profit

Operating profit is stated after charging/(crediting)

	2009	2008
	£	£
Depreciation on tangible fixed assets	210,347	249,245
Profit on disposal of fixed assets	23,281	(5,948)
Auditors' remuneration		
- audit services	37,000	37,000
- for other services	7,236	9,216
Operating lease costs		
- land and buildings	457	105,567
- other	<u>52,485</u>	<u>55,708</u>

AL-KO KOBER HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

6. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were

	2009 £	2008 £
Emoluments	<u>145,920</u>	<u>118,740</u>

The number of directors who were accruing benefits under group pension schemes was as follows

	2009 Number	2008 Number
Defined benefit schemes	<u>1</u>	<u>1</u>

7 Interest receivable and similar income

	2009 £	2008 £
Bank interest receivable	2,433	42,079
Group interest receivable	<u>81,812</u>	<u>-</u>
	<u>84,245</u>	<u>42,079</u>

8. Interest payable and similar charges

	2009 £	2008 £
Interest payable to group undertakings	58,435	1,383
Interest payable on bank loans and overdrafts	1,675	8,822
Other financial charges	<u>82,000</u>	<u>49,000</u>
	<u>142,110</u>	<u>59,205</u>

AL-KO KOBER HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

9. Tax on profit on ordinary activities

	2009 £	2008 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 28% (2008 28%)	<u>180,000</u>	<u>55,663</u>
Total current tax	<u>180,000</u>	<u>55,663</u>
Deferred tax		
Deferred tax debit in relation to pension costs	<u>31,640</u>	<u>43,680</u>
Origination and reversal of timing differences	<u>2,163</u>	<u>4,284</u>
Tax on profit on ordinary activities	<u><u>213,803</u></u>	<u><u>103,627</u></u>

There is no material difference between the current tax charge on ordinary activities for the period reported in the profit and loss account and the current tax charge that would result from applying a relevant standard rate of tax to the profit on ordinary activities before tax

10. Profit attributable to members of the parent company

The company has taken advantage of section 408 of the Companies Act 2006 not to present its own profit and loss account

The company made profit of £nil (2008 £nil) during the year

11. Dividends

The directors did not recommend or pay a dividend during the year (2008 £nil)

AL-KO KOBER HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

12. Tangible fixed assets

	Freehold property £	Plant, machinery and equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2009	4,359,724	2,010,822	480,119	6,850,665
Additions	—	54,737	86,855	141,592
Disposals	—	(46,426)	(132,124)	(178,550)
At 31 December 2009	4,359,724	2,019,133	434,850	6,813,707
Depreciation				
At 1 January 2009	679,065	1,810,432	375,327	2,864,824
Charge for the year	66,194	86,846	57,307	210,347
On disposals	—	(43,874)	(88,664)	(132,538)
At 31 December 2009	745,259	1,853,404	343,970	2,942,633
Net book value				
At 31 December 2009	3,614,465	165,729	90,880	3,871,074
At 31 December 2008	3,680,659	200,390	104,792	3,985,841

13. Fixed asset investments

Company	Shares in group companies £
Cost	
At 1 January 2009 and 31 December 2009	1,027,103
Net book value	
At 31 December 2009	1,027,103
At 31 December 2008	1,027,103

Details of the company's subsidiary undertaking are as follows

Company name	Principal activity	Country of incorporation	Class of share	% holding
AL-KO Kober Limited	Manufacture and distribution of vehicle components	England and Wales	Ordinary	100

AL-KO KOBER HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

14. Stocks

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Raw materials	382,430	432,110	—	—
Work in progress	53,421	62,061	—	—
Finished goods and goods for resale	1,449,469	1,251,909	—	—
	<u>1,885,320</u>	<u>1,746,080</u>	<u>—</u>	<u>—</u>

15. Debtors

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Trade debtors	4,348,902	3,500,986	—	—
Amounts owed by group undertaking	1,030,253	62,998	—	—
Other debtors	7,855	7,191	—	—
Prepayments and accrued income	112,285	135,053	—	—
Deferred taxation (note 16)	80,453	82,616	—	—
	<u>5,579,748</u>	<u>3,788,844</u>	<u>—</u>	<u>—</u>

16 Deferred taxation

The deferred tax included in the balance sheet is as follows

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Included in debtors (note 15)	<u>80,453</u>	<u>82,616</u>	<u>—</u>	<u>—</u>

The movement in the deferred taxation account during the year was

	Group	Company
	2009	2009
	£	£
Balance brought forward	82,616	—
Movement in the year		
Other timing differences (note 9)	(2,163)	—
Balance carried forward	<u>80,453</u>	<u>—</u>

AL-KO KOBER HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

16. Deferred taxation (continued)

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2009 £	2008 £	2009 £	2008 £
Excess of taxation allowances over depreciation on fixed assets	58,553	58,931	—	—
Other short term timing differences	21,900	23,685	—	—
	<u>80,453</u>	<u>82,616</u>	<u>—</u>	<u>—</u>

17. Creditors: Amounts falling due within one year

	Group 2009 £	2008 £	Company 2009 £	2008 £
Bank loans and overdrafts	683	2,346	—	—
Trade creditors	392,515	342,407	—	—
Amounts owed to group undertakings	1,114,385	579,953	—	—
Corporation tax	209,010	69,175	—	—
Other taxation and social security	448,374	284,873	—	—
Accruals and deferred income	268,653	287,206	—	—
	<u>2,433,620</u>	<u>1,565,960</u>	<u>—</u>	<u>—</u>

18. Pensions

The group operates two defined benefit pension schemes, the contributions payable to which are determined by a qualified actuary

Al-Ko Kober Limited Pension and Assurance Scheme

The group operates a defined benefit pension scheme with assets held in a separately administered fund. The scheme provides retirement benefits on the basis of members' final salary.

The disclosures set out below are based on calculations carried out as at 31 December 2009 by a qualified independent actuary using the projected unit basis. The major assumptions used by the actuary were

	2009 %	2008 %
Rate of increase in salaries	5.00	4.50
Rate of increase in pensions in payment	3.40	2.80
Discount rate	5.60	6.00
Rate of inflation	3.50	3.00

The mortality assumptions used the actuarial table SAPS mc

AL-KO KOBER HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

18. Pensions (continued)

The assets in the scheme and the expected rates of return were

	31 December 2009 %	Value at 31 December 2009 £'000	31 December 2008 %	Value at 31 December 2008 £'000
Equities	59	1,736	55	1,229
Bonds	37	1,089	44	983
Cash	4	118	1	23
	<u>100</u>	<u>2,943</u>	<u>100</u>	<u>2,235</u>
Total market value of assets		2,943		2,235
Present value of scheme liabilities		(4,143)		(3,517)
Deficit in scheme		(1,200)		(1,282)
Related deferred tax asset		336		359
Net liability		<u>(864)</u>		<u>(923)</u>

The equity investments and bonds which are held in plan assets are valued at the current bid price

Reconciliation of present value of scheme liabilities

	2009 £'000	2008 £'000
1 January	3,517	3,501
Current service cost	115	104
Contribution by employees	30	35
Interest cost	218	212
Benefits paid	(26)	(113)
Actuarial loss	289	(222)
31 December	<u>4,143</u>	<u>3,517</u>

AL-KO KOBER HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

18. Pensions (continued)

	2009 £'000	2008 £'000
Reconciliation of fair value of scheme assets		
1 January	2,235	2,331
Expected return on scheme assets	152	166
Actuarial losses	262	(473)
Benefits paid	(26)	(113)
Contributions paid by employer	290	289
Contributions paid by employee	30	35
31 December	<u>2,943</u>	<u>2,235</u>

Scheme assets do not include any of the group's own financial instruments, or any property occupied by the group

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The actual return on scheme assets in the year was £414,000 (2008: £307,000)

Analysis of the amount charged to profit or loss are as follows:

	2009 £'000	2008 £'000
Current service cost	115	104
Expected return on pension scheme assets	(152)	(166)
Interest on pension scheme liabilities	218	212
Total	<u>181</u>	<u>150</u>

AL-KO KOBER HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

18. Pensions (continued)

Actuarial gains and losses

The cumulative amount of actuarial losses recognised in the statement of recognised gains and losses is £1,643,000 (2008 £1,616,000)

Actuarial calculation

The actuarial calculation at 31 December 2009 showed a decrease in the deficit from £1,282,000 to £1,200,000. The group contributions expected to be made in the year commencing 1 January 2010 are £255,000.

Amounts for current and previous four years

	2009 £'000	2008 £'000	2007 £'000	2006 £'000	2005 £'000
Defined benefit obligation	(4,143)	(3,517)	(3,501)	(3,921)	(3,825)
Plan assets	2,943	2,235	2,331	2,380	2,393
Deficit	(1,200)	(1,282)	(1,170)	(1,541)	(1,432)
Experience adjustments on plan assets	262	(473)	(20)	57	264
Experience adjustments on plan liabilities	257	(12)	(99)	(385)	98
Changes in the assumptions underlying the present value of scheme liabilities	(546)	234	367	182	(409)

Al-Ko Kober Limited Retirement and Death Benefit Plan For Hourly Paid Employees

The group operates a defined benefit pension scheme with assets held in a separately administered fund. The scheme provides retirement benefit on the basis of members' final salary. The disclosures set out below are based on calculations carried out as at 31 December 2009 by a qualified independent actuary using the projected unit basis.

The major assumptions used by the actuary were

	2009 %	2008 %
Expected return on plan assets	0.50	2.00
Discount rate	6.30	6.80
Rate of inflation	3.00	1.60

AL-KO KOBER HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

18. Pensions (continued)

The assets in the scheme and the expected rates of return were

	31 December 2009 %	Value at 31 December 2009 £'000	31 December 2008 %	Value at 31 December 2008 £'000
Cash	<u>100</u>	427	<u>100</u>	413
Total market value of assets		427		413
Present value of scheme liabilities		<u>(404)</u>		<u>(351)</u>
Surplus in scheme		23		62
Related deferred tax liability		<u>(6)</u>		<u>(17)</u>
Net asset		<u>17</u>		<u>45</u>

The equity investments and bonds which are held in plan assets are quoted and are valued at the current bid price

Reconciliation of present value of scheme liabilities

	2009 £'000	2008 £'000
1 January	351	476
Interest cost	24	27
Benefits paid	(21)	(59)
Actuarial loss	50	(93)
31 December	<u>404</u>	<u>351</u>

AL-KO KOBER HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

18. Pensions (continued)

Reconciliation of fair value of scheme assets	2009 £'000	2008 £'000
1 January	413	448
Expected return on scheme assets	8	24
Actuarial gains/ (losses)	7	(20)
Benefits paid	(21)	(59)
Contributions paid by employer	20	20
31 December	<u>427</u>	<u>413</u>

Scheme assets do not include any of the group's own financial instruments, or any property occupied by the group

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy

The actual return on scheme assets in the year was £15,000 (2008 £4,000)

Analysis of the amount charged to profit or loss are as follows:

	2009 £'000	2008 £'000
Expected return on pension scheme assets	(8)	(24)
Interest on pension scheme liabilities	24	27
Total	<u>16</u>	<u>3</u>

Actuarial gains and losses

The cumulative amount of actuarial gain recognised in the statement of recognised gains and losses is £74,000 (2008 £31,000)

Actuarial calculation

The actuary's calculation as at 31 December 2009 showed a surplus of £23,000 (2008 surplus of £62,000) The group's contributions expected to be made in the year commencing 1 January 2010 are £20,000 (plus insurance premiums and administrative expenses)

AL-KO KOBER HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

18. Pensions *(continued)*

Amounts for current and previous four years:	2009 £'000	2008 £'000	2007 £'000	2006 £'000	2005 £'000
Defined benefit obligation	(404)	(351)	(476)	(595)	(600)
Plan assets	427	413	448	469	493
Surplus/(deficit)	23	62	(28)	(126)	(107)
Experience adjustments on plan assets	7	(20)	2	(35)	(24)
Experience adjustments on plan liabilities	11	(3)	64	-	-
Changes on the assumptions underlying the present value of plan liabilities	(61)	96	19	22	(40)

19. Other provisions

	Group 2009 £	Company 2009 £
Warranty provision:		
Balance brought forward	258,741	-
Movement for year	(6,557)	-
Balance carried forward	<u>252,184</u>	<u>-</u>

A provision has been recognised for expected claims against product guarantees. It is expected that most of this expenditure will be incurred in the next two financial years. The provision has not been discounted since the effect of discounting is not material.

AL-KO KOBER HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

20. Commitments under operating leases

At 31 December 2009 the group had annual commitments under non-cancellable operating leases as set out below

Group	2009		2008	
	Land & buildings £	Other items £	Land & buildings £	Other items £
Operating leases which expire				
Within one year	–	1,105	7,656	3,415
Within two to five years	–	18,912	–	21,484
	<u>–</u>	<u>20,017</u>	<u>7,656</u>	<u>24,899</u>

21. Related party transactions and controlling party

The directors regard the Kober family as the ultimate controlling party. The directors regard Alois Kober GmbH as being the immediate controlling party.

The group and company has taken advantage of the exemption contained in FRS 8 "Related Party Disclosures" from disclosing transactions with entities which are part of the group, since 100% of the voting rights in the company are controlled within the group and the company is included within the group accounts which are publicly available, as disclosed in note 25.

22. Share capital

	2009		2008	
	Number	£	Number	£
Authorised share capital:				
Ordinary shares of £1 each	<u>2,300,000</u>	<u>2,300,000</u>	<u>2,300,000</u>	<u>2,300,000</u>
Called up, allotted and fully paid:				
Ordinary shares of £1 each	<u>2,300,000</u>	<u>2,300,000</u>	<u>2,300,000</u>	<u>2,300,000</u>
Equity shares:				
Ordinary shares of £1 each	<u>2,300,000</u>	<u>2,300,000</u>	<u>2,300,000</u>	<u>2,300,000</u>

AL-KO KOBER HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

23. Reserves

Group	Share premium account £	Profit and loss account £
Balance brought forward	327,103	6,773,765
Profit for the financial year	—	480,321
Actuarial loss relating to pension liability	—	(50,400)
Balance carried forward	<u>327,103</u>	<u>7,203,686</u>
Company	Share premium account £	Profit and loss account £
Balance brought forward and carried forward	<u>327,103</u>	<u>(1,600,000)</u>

24. Reconciliation of movements in group shareholders' funds

	2009 £	2008 £
Profit for the financial year	<u>480,321</u>	<u>196,433</u>
	480,321	196,433
Actuarial loss relating to pension liability	<u>(50,400)</u>	<u>(128,160)</u>
Net addition to shareholders' funds	<u>429,921</u>	<u>68,273</u>
Opening shareholders' funds	<u>9,400,868</u>	<u>9,332,595</u>
Closing shareholders' funds	<u>9,830,789</u>	<u>9,400,868</u>

Reconciliation of movements in company shareholders' funds

	2009 £	2008 £
Opening shareholders' funds	<u>1,027,103</u>	<u>1,027,103</u>
Closing shareholders' funds	<u>1,027,103</u>	<u>1,027,103</u>

AL-KO KOBER HOLDINGS LIMITED

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2009

25. Ultimate parent company

The immediate parent undertaking is Alois Kober GmbH, a company incorporated in Germany

The parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the company is a member is AL-KO Kober A G , a company incorporated in Germany The directors regard this company as being the ultimate holding company Copies of these group financial statements are available to the public from Handelsgericht Ref B19438940 Memmingen, Germany