



Verification report – Importer Case AS0020: Ironing boards imported into the United Kingdom from the Republic of Türkiye

Period of Investigation (POI):	1 January 2021 to 31 December 2021
Injury Period:	1 January 2018 to 31 December 2021
Date of report:	20 January 2023
Case team contact details:	AS0020@traderemedies.gov.uk
Company verified:	Addis Housewares Limited (Addis)

For further details, please see the [original notice of initiation](#) and the [amended notice of initiation](#) on the public file.



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Executive summary

On 7 April 2022, the Trade Remedies Authority (TRA) initiated an investigation into the alleged subsidisation of ironing boards being imported into the UK from the Republic of Türkiye.

As part of the investigation, the TRA have sought to assess the completeness, relevance, and accuracy of the information Addis (a UK importer) provided in their questionnaire response. This covered their company structure and associations, the goods they import (purchases), sales, and the economic interest test.

During the verification process, the TRA compared the information in Addis's questionnaire response (including their questionnaire-annex data and other supporting evidence) to information from open sources, such as Companies House, Addis's website, and the responses received from other interested parties. We scrutinised the information for internal consistency and reconciled their submitted data to their audited financial statements.

On 29 and 30 September 2022, the TRA also conducted an on-site verification visited at Addis's facilities in Bridgend, Wales.

We were able to verify the information provided by Addis in their:

- questionnaire response,
- annex data; and
- throughout the verification process.

Based on the verification activities that we have undertaken, we have a reasonable level of assurance on the completeness, accuracy and relevance of the information provided by Addis, and can therefore use it for the purpose of this investigation.



Purpose of verification

The purpose of the TRA's verification activity is to provide the assurance considered necessary to make a decision as to whether the information (data) provided by Addis is verifiable and can be used for the purposes of our investigation. We drew a reasonable level of assurance on the completeness, accuracy and relevance of information deemed verifiable. Such information may then be considered in our assessments and analysis to determine whether injury is caused or likely to be caused to the UK industry by subsidised imports of the Goods Concerned. This will form the basis for establishing appropriate measures where necessary, and to assess whether these are in the UK's economic interest.

We carried out verification activities using desk analysis and work on-site. The activities we undertook did not seek to verify all information provided. We undertook the work considered appropriate and possible within the time constraints of the investigation to obtain a reasonable level of assurance on which to base a decision.

This verification report documents the work we have completed, the checks the case team carried out and conclusions we have reached about the reliability of information provided by Addis.

Confidential information

Addis must provide a non-confidential version of the verification report marked as "non-confidential" in the header of the non-confidential verification report.

If any information contained in the confidential verification report is considered confidential, Addis should delete or redact those sections and provide a non-confidential summary of the information which has been removed. It must provide reasons as to why the particular information is considered confidential (see also our [public guidance](#)).

The non-confidential version of the verification report will be placed on the public file.



Verification

Please find below a summary of work that has been completed and the checks that have been carried out by the case team to determine whether the information provided by Addis in their questionnaire response is verifiable.

A-I. Company structure and associations

What information was considered

The TRA considered the information that Addis provided on the following areas:

- General set-up, ownership and management.
- Associations and operational links.
- Facility locations.
- Product range.

We also reviewed Addis's accounting systems in the following areas:

- Accounting practices and policies.
- Accounting systems.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked

We checked Addis's submitted information response for consistency with information from open sources.

General set-up, ownership and management

The TRA cross-checked the information provided by Addis regarding the company's general set up, ownership and management by examining the audited financial reports of Addis Housewares Limited and Addis Group Limited (the parent company) from 2017 to 2021, and reviewing other information on Companies House. We found the information from these sources to be consistent with the information in Addis's questionnaire response.

Location

We verified the location of Addis's site using Companies House and online maps. Additionally, we conducted an on-site inspection of the site. Our findings were consistent with the information in Addis's questionnaire response.



Product range

We cross-checked the information in Addis's questionnaire response with publicly available information about their business activities and product range in relation to the Goods Concerned and Like Goods to verify their product range. We reviewed:

- the company website and the supporting evidence provided with their questionnaire response;
- evidence confirming Addis's authorisations to import, sell and distribute the Goods Concerned and Like Goods by checking which membership organisations they were a part of; and
- Addis's membership of the British Home Enhancement Trade Association (BHETA) by examining BHETA's website and the supporting evidence provided with Addis's questionnaire response.

During the on-site verification, we also asked their representatives questions about Addis's business activities to better understand Addis's role in relation to the Goods Concerned and Like Goods.

We found that the information provided by Addis in this area was consistent with publicly available information and other supporting evidence.

Associations

To check whether there were any unreported associations that might affect Addis's trade in the Goods Concerned, we examined:

- the financial reports of Addis Housewares Limited and Addis Group Limited published on the Companies House website to verify their relationship;
- Companies House data to identify other organisations related to Addis, including indirect associations through Addis's ultimate owner and current directors; and
- news articles from reputable sources regarding sales and acquisitions affecting Addis.

We also asked questions during on-site verification to confirm which organisations were dormant and which organisations were formerly – but no longer – related to Addis.

Our findings in this area were consistent with the information in Addis's questionnaire response.

Accounting practices and policies

We assessed the reliability of the financial statements for both the trading company (Addis Housewares Limited) and the parent organisation (Addis Group Limited) from 2018 to 2021 (years ended 31 December). We confirmed that the financial accounts for the POI were independently audited, were prepared in accordance with the UK Generally Accepted



Accounting Practice (UK GAAP), and that the auditors had concluded that the accounts were 'true and fair' and there were no qualifications made.

Accounting systems

We also used the information in the audited financial reports and additional information obtained during our accounting systems walkthrough visit on 29 September 2022 to verify Addis's accounting practices and policies. This included their accounting software, financial year convention, stock valuation methodology and revenue recognition policy. We assessed Addis's sales, purchases and accounting applications including the interactions between the software and manual stages. We have reasonable assurance that these are effective and can be relied upon.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Exceptions/Findings/Adjustments

The TRA has no exceptions, findings, or adjustments to report with regards to Addis's structure and associations.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

The information relating to company structure and associations provided by Addis is verifiable. Based on the work we have done, we have a reasonable level of assurance that the information can be treated as complete, relevant and accurate, and can therefore be used by the TRA for the injury margin calculation, the Economic Interest Test, and for any other purpose within the investigation.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



A-II. Goods

What information was considered

- Description of the goods in scope of this investigation and which were not.
- The assignment of product control numbers (PCNs) to their goods and the internal coding system.
- Characteristics of the Goods Concerned and Like Goods traded by Addis.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked

Goods in scope

During on-site verification we inspected Addis's website and management reports to understand Addis's products and product codes for ironing boards. We established that all of Addis's ironing boards were either the Goods Concerned (originating in Turkey) or Like Goods (originating in China).

We examined the management reports to identify the country of origin of each ironing board model. We compared the information to Addis's submission in the questionnaire responses and the description of the goods within the scope of this investigation. We were able to confirm that Addis had not included any products outside the scope of the investigation.

We obtained a reasonable level of assurance that Addis provided complete and relevant information regarding goods covered by this investigation. Addis had correctly distinguished the Goods Concerned from the Like Goods and we confirmed that there were no other goods that should have been included.

PCN allocations and internal coding system

During desk-based verification, we checked Addis's PCN assignment for each product code by comparing information from their website and brochure against the PCN table for this investigation. Where we identified PCN assignments that did not match our expectation, we asked Addis for explanations during on-site verification. During on-site verification, we undertook the following activities:

- Examined the product characteristics listed in source documentation for a sample of individual transactions and compared them to the PCN that Addis used for that transaction. We established that Addis had assigned PCNs to their ironing boards manually, based on the known product characteristics of each product code.



- Physically inspected a number of models of the Goods Concerned and Like Goods and we were able confirm which models were the Goods Concerned and which were the Like Goods.
- For some models, we agreed with Addis that they would update some of their PCN assignments to follow the size categories in the PCN structure of this investigation, rather than their internal size categories. After Addis had updated their PCN assignments, we checked the questionnaire-annex data again.

We gained a reasonable level of assurance that the PCN assignments in Addis's updated questionnaire submission were sufficiently accurate for the purposes of this investigation.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Exceptions/Findings/Adjustments

The TRA has no exceptions, findings or adjustments to report with regards to the information provided by Addis regarding their goods.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

The information relating to the company's goods that we have been provided by Addis is verifiable. Based on the work we have done, we have a reasonable level of assurance that the information can be treated as complete, relevant and accurate, and can therefore be used by the TRA for the injury margin calculation, the Economic Interest Test, and for any other purpose within the investigation.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



B. Imports

What information was considered

- Total import figures for the Goods Concerned in the POI.
- The import transaction-by-transaction listing for the POI provided in the questionnaire responses.
- Import values, volumes and prices at the transaction level.
- Importation costs.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked

Upwards verification

Upwards verification is the process whereby we reconciled Addis's import data submitted in the questionnaire response to their audited financial statements filed with Companies House in order to determine the level of assurance the TRA has over the completeness of the data.

During the verification visit, we examined how Addis extracted the purchases data for the Goods Concerned from their accounting system. We compared the total value of the purchases extracted during our visit to the figure reported in the questionnaire annex. We did not identify any inconsistencies, which provided us with a reasonable level of assurance on the completeness of the information relating to the Goods Concerned, and that Addis had provided the import transactions occurring within the POI.

Since Addis only purchase the Goods Concerned from one supplier, we cross-checked the total values and volumes for Addis's imports of the Goods Concerned with the data we obtained from their independent supplier of ironing boards in Turkey. Based on the information received, we concluded that we could place a reasonable level of assurance on the completeness of the purchases data reported by Addis.

Downwards verification

We performed downwards verification on the purchases data to test for the accuracy and relevance of the transaction-level data in Addis's submission by comparing a sample of purchases transactions to source documents.

Imports

At the on-site verification visit, we requested source documentation for selected transactions. For each sampled transaction we requested:



- Purchase order;
- Purchase invoice;
- Proof of receipt: and
- Proof of payment.

For each sampled transaction, we compared the data Addis reported on the imports listing of the questionnaire annex against the source documentation. For each transaction, we checked the:

- Document numbers (such as invoice numbers) and the consistency of documentation across each given transaction to ensure we had the right source document;
- Transaction dates to ensure that the transaction was completed within the POI;
- The country of origin and the supplier of the goods to confirmed that they were the Goods Concerned from Turkey;
- Product codes, product specifications and PCNs to make sure the goods fall within the scope of the investigation;
- Values, volumes and prices to ensure that Addis reported the correct details in the questionnaire annex; and
- The delivery and payment terms.

During our review, we found that several PCNs had been incorrectly assigned. However, as mentioned in section "[A-II. Goods](#)", Addis agreed to update the PCNs in their questionnaire submission. Our review of the updated listing provided a reasonable level of assurance that the updated PCNs were consistent with the source document's product codes and specifications.

Freight costs

We found that for the majority of transactions in their imports listing, Addis had reported freight costs and port charges as zero. During on-site verification, Addis explained that this data was incomplete, and that all the import transactions had in fact involved freight costs and port charges. They were not able to provide complete information on freight costs and port charges on a transaction-level basis, so they provided these costs for a few example transactions and entered zero for the rest.

To verify the actual costs, we asked Addis to show us their estimates of average annual importation costs that they use in their normal business activities for the Goods Concerned. Addis explained a reasonable method for apportioning these costs across transactions by pieces. The information was consistent with the example of freight costs and port charges that they had reported in their imports listing as part of the purchase costs for the Goods Concerned.



Using the example costs and our understanding of how they had been calculated, we were able to estimate freight costs and port charges for each transaction (see annex 2). After making the adjustment, we considered that the freight cost was reasonably accurate for our purposes.

In all other respects, we verified the transaction data in Addis’s questionnaire responses against the source documentation for the transactions we selected. We determined that the additional information provided by Addis on their freight costs and port charges can be considered accurate for our purposes. Based on the work completed in the downwards verification we have a reasonable level of assurance on the accuracy and relevance of the purchase information in Addis’s questionnaire response.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Exceptions/Findings/Adjustments

The TRA has no exceptions, findings or adjustments to report with regards to the imports provided by Addis.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

The information relating to imports provided by Addis is verifiable. Based on the work we have done, we have a reasonable level of assurance that the information can be treated as complete, relevant and accurate, and can therefore be used by the TRA for the injury margin calculation, the Economic Interest Test, and for any other purpose within the investigation.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



C. Sales

What information was considered

- The total sales figures for the Goods Concerned and Like Goods from 2018 to 2021.
- The individual sales transactions for the Goods Concerned in the POI, including values, volumes and prices.
- The annual accounts for the POI.
- The general ledger from the accountancy system.
- Rebates.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked

Upwards verification

Through the upwards verification, we tested Addis's sales data for completeness by reconciling the sales data reported in the questionnaire annex to the annual financial accounts and third-party sources.

We were able to reconcile Addis's total sales to the management reports and audited financial statements. No alignment steps were necessary as Addis's financial year matched the POI. During on-site verification, Addis provided an updated version of their sales transaction listing that corrected deficiencies in the original version. We asked Addis to extract the sales for the POI from their accounting system. We compared the figures to those reported in the updated questionnaire annex for both the Goods Concerned and the Like Goods (originating in China). The figures agreed and we did not identify any material discrepancies. We gained a reasonable level of assurance that the sales extracted from Addis's accounting system for 2021 related to sales within the POI.

We concluded that we have a reasonable level of assurance on the completeness and relevance of the total sales reported in Addis's questionnaire submission.

Downwards verification

We performed downwards verification on the sales data to check whether the transaction level data in Addis's submission was consistent with source documentation for a sample of transactions.



Ahead of on-site verification, we requested source documentation for each of the selected transactions. In response to our request, Addis provided the following source documentation:

- A sales order;
- A sales invoice (or multiple sales invoices);
- A delivery note; and
- Proof of payment.

For each transaction we:

- aligned the goods delivery note to the customer order, sales invoice, and the posting to the sales account in the general ledger;
- checked the amount per the sales invoice to the payment received from the customer;
- checked the description of the goods to the sample transaction;
- verified whether an early payment discount or any other discount was given;
- checked the sales price of the transaction to the pricing list; and
- determined if the transaction falls within the POI.

Having identified that individual payments typically cover a large number of invoices, we verified proof of payment in detail for the four largest transactions in our sample. We examined the payments in their system and inspected how invoices were allocated to the payments. Following on-site verification, Addis provided us with screenshots from their system and “remittance advice” documents for these four transactions, as well as for two further transactions. We confirmed that these payments referred to the relevant invoices.

In their sales transaction listing, Addis reported that rebates were not applicable to the Goods Concerned. However, during on-site verification, we found that there were rebates applicable to their UK sales of the Goods Concerned in the POI but that it was not practical for them to provide rebates on a transaction-level basis. Instead, Addis provided us with their average rebate percentages by customer for the POI, and we determined we could use this information for our purposes.

We verified the transaction data in Addis’s questionnaire responses against the source documentation for the transactions we selected. The additional information Addis provided on rebates was sufficiently accurate for our purposes. From our downwards verification activities we have a reasonable level of assurance on the accuracy and relevance of the sales information in Addis’s questionnaire response.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



Exceptions/Findings/Adjustments

The TRA has no exceptions, findings or adjustments to report with regard to Addis's sales.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

The information relating to sales that we have been provided by Addis is verifiable. Based on the work we have done, we have a reasonable level of assurance that the information can be treated as complete, relevant and accurate, and can therefore be used by the TRA for the injury margin calculation, the Economic Interest Test, and for any other purpose within the investigation.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



D. Economic Interest Test

What information was considered

- The employment data provided in the questionnaire responses.
- The supply chain for ironing boards in the UK.
- Shipping costs.
- The supply of Like Goods from the People's Republic of China and Ukraine.
- Other statements made by Addis regarding economic interest.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked

Employment

We compared the number of employees reported by Addis in their questionnaire annex to their audited financial statements. During on-site verification, Addis acknowledged that they had made a clerical error in their original submission and they provided updated employment data. Discussions with the (ADDIS EMPLOYEE) confirmed that they could calculate slightly different employment figures depending on the methodology they used to include temporary workers within annual averages. We confirmed that the updated figure was consistent with their audited financial statements for 2021.

UK supply chain

We verified Addis's list of ironing board producers, importers, distributors and sellers in the UK by checking company websites and Companies House. We cross-checked the list of downstream companies against Addis's verified sales listing for the POI, and found the information to be consistent.

Shipping costs

We checked Addis's statement that transport costs had increased between 2020 and 2021 by seeking further explanation during on-site verification. Addis showed us the cost forecasts they use in their normal business activities, including average shipping costs for 2021 in comparison to 2020. The information was consistent with the statement in their questionnaire response.



Supplies from other countries

We considered Addis's statements about the supply of Like Goods from third countries. Having verified that Addis has imported Like Goods originating in the People's Republic of China, we confirmed that the anti-dumping duties outlined in [taxation notice 2020/35](#) applied to such goods. We also considered Addis's statement that ironing board production had halted in Ukraine. We found information to support this from open sources; however, we did not find sufficient information to determine what lasting impacts, if any, this had caused.

We compared Addis's statements regarding the potential impacts of a measure on ironing board prices to statements made by other interested parties. We found they were not consistent, but determined we could consider Addis's statements alongside the statements of other interested parties within the economic interest test.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Exceptions/Findings/Adjustments

The TRA did not make exceptional findings or adjustments to the information regarding Addis's statements on economic interest.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

The information relating to the economic interest test that we have been provided by Addis is verifiable. Based on the work we have done, we have a reasonable level of assurance that the information can be treated as complete, relevant and accurate and can therefore be used by the TRA for the Economic Interest Test, and for any other purpose within this investigation.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



Conclusions

The verification activities we completed for Addis show that the data they supplied in their questionnaire response and annexes is verifiable. We identified that Addis is an importer of the Goods Concerned from Türkiye. We completed a walkthrough of Addis's accounting system, and we gained an understanding of how they produced the data provided to the TRA for this investigation. We conducted both desk-based and on-site verification, which allowed us to complete upwards verification and downwards verification of their purchases, sales and other information as appropriate.

Where Addis had not provided transaction level data for the importation costs on their purchases and the rebates on their sales, we obtained sufficient information to be able to calculate them ourselves, and to use these calculations within our injury assessments and the economic interest test. We did not identify any material error that would affect the dataset to be used in the investigation.

We have obtained sufficient and appropriate evidence in order to conclude that the information provided by the company under the sections above is verifiable. Therefore, we have a reasonable level of assurance that the information is complete, relevant and accurate for the purpose of this investigation.



Annexes

Annex 1: Meetings

Date and duration	Type of verification	Company representatives	TRA representatives
29 September 2022, 09:00-17:00	<input type="checkbox"/> remote <input checked="" type="checkbox"/> on-site	Representative 1 Representative 2	[Representative 1] (job title), [Representative 2] (job title), [Representative 3] (job title)
30 September 2022, 08:30-16:00			

Annex 2: Imputed Importation Costs

Attached as a spreadsheet.