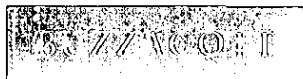


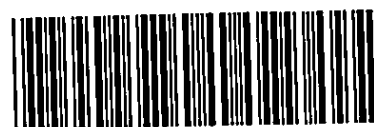
**Powell
Mail
Order
Limited**

**Annual report and financial
statements**

31 December 2008



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COMPANIES HOUSE

Company Registration Number
2868348 (England and Wales)

Directors	J D Ellis G Gayer J Mönig
Secretary	Eversecretary Limited
Registered office	Unit 1 Heol Aur Dafen Industrial Park Llanelli Wales SA14 8QN
Registered number	2868348 (England and Wales)
Auditors	Buzzacott LLP 12 New Fetter Lane London EC4A 1AG
Solicitors	Eversheds Senator House 85 Queen Victoria Street London EC4V 4JL
Bankers	HSBC Bank plc 4a Vaughan Street Llanelli Carmarthenshire SA15 3TY

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The following pages do not form
part of the statutory financial statements:

Detailed profit and loss account	16-17
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Directors' report 31 December 2008

The directors present their report with the financial statements of the company for the year ended 31 December 2008.

Principal activity

The principal activity of the company in the year under review was the supply by mail order of equipment for use in factories and industrial premises.

Review of business and future developments

A summary of the results of the year's trading is given on page 6 of the financial statements. The company saw a modest increase in turnover during the year in increasingly difficult economic and trading conditions, particularly the final quarter, and the pressure on margins due to the weakening of Sterling against the Euro led to lower profit margins through substantial increases in the Cost of Goods, and consequently a lower profit before taxation of £220,436 (2007 - £407,143).

Notwithstanding, the economic outlook for the UK, the directors forecast continued growth in turnover in 2009, although pressure on margins from continued adverse exchange rates and an increasingly competitive market place will be reflected in a lower growth in profits.

The company's financial position at the year end is shown on page 7 of the financial statements.

During the year the company made charitable contributions of £175.

The company is a wholly owned subsidiary of Kaiser + Kraft Europa GmbH. The ultimate parent company is Franz Haniel & Cie GmbH.

Dividends

The directors do not recommend a final dividend (2007 - £nil). An interim dividend of £300,000 was paid during the year (2007 - £200,000).

Directors

The directors in office during the year were as follows:

J Ellis
G Gayer
R M Schleicher (resigned 13 November 2008)
J Mönig (appointed 13 November 2008)

Directors' report 31 December 2008

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have chosen to prepare the financial statements in accordance with the 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;
- ◆ follow applicable accounting standards, 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 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 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.

Each of the directors 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 steps that he/she ought to have taken as director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

Directors' report 31 December 2008

Signed on behalf of the board of directors:

A handwritten signature in black ink, appearing to be 'J. H. M.', written over a horizontal line.

Director

Approved by the board on:

30-1-2009

Independent auditors' report 31 December 2008

Independent auditors' report to the shareholders of Powell Mail Order Limited

We have audited the financial statements of Powell Mail Order Limited for the year ended 31 December 2008 on pages 6 to 15. 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 independent auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all of the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions with the company 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 an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

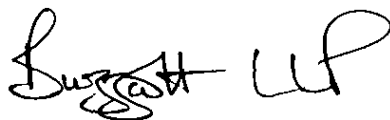
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

Independent auditors' report 31 December 2008

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 2008 and of its profit for the year then ended;
- ◆ the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- ◆ the information given in the Directors' Report is consistent with the financial statements.



Buzzacott LLP
Chartered Accountants and Registered Auditors
12 New Fetter Lane
London
EC4A 1AG



Profit and loss account Year to 31 December 2008

	Notes	2008 £	2008 £	2007 £	2007 £
Turnover	1		4,616,064		4,533,971
Cost of sales			(3,173,702)		(2,884,287)
Gross profit			1,442,362		1,649,684
Staff costs	3				
Salaries		206,369		247,825	
Social security costs		19,934		25,702	
Other pension costs		9,873		11,587	
			236,176		285,114
Depreciation of tangible fixed assets		13,158		8,876	
Other operating charges		986,865		972,807	
			1,000,023		981,683
Operating profit	2		206,163		382,887
Interest payable on bank overdraft			49		172
Interest receivable and similar income	4		14,322		12,428
Rent receivable			—		12,000
Profit on ordinary activities before taxation			220,436		407,143
Taxation on profit on ordinary activities	6		61,465		120,936
Profit on ordinary activities after taxation			158,971		286,207

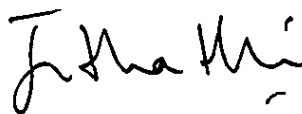
None of the company's activities were acquired or permanently discontinued during the above two financial periods.

The company has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

Balance sheet 31 December 2008

	Notes	2008 £	2008 £	2007 £	2007 £
Fixed assets					
Tangible assets	7		26,511		7,841
Current assets					
Stocks		7,650		30,903	
Debtors	8	976,578		1,183,996	
Cash at bank and in hand		218		—	
		<u>984,446</u>		<u>1,214,899</u>	
Creditors: amounts falling due within one year	9	<u>736,733</u>		<u>807,487</u>	
Net current assets			<u>247,713</u>		<u>407,412</u>
Total assets less current liabilities			<u>274,224</u>		<u>415,253</u>
Capital and reserves					
Equity interests:					
Called up share capital	11		17,333		17,333
Share premium account	12		98,467		98,467
Profit and loss account	13		<u>158,424</u>		<u>299,453</u>
Shareholder's funds	16		<u>274,224</u>		<u>415,253</u>

Signed on behalf of the board of directors:



Director

Approved by the board on: 30-1-2009

Principal accounting policies 31 December 2008

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Cash flow

The financial statements do not include a cash flow statement because the company, as a wholly owned subsidiary, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash flow statements'.

Turnover

Turnover consists of sales of goods at invoiced value excluding VAT.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

◆ Leasehold improvements	Straight line over the life of the lease
◆ Plant and machinery	25% straight line
◆ Fixtures and fittings	15% straight line
◆ Motor vehicles	25% straight line
◆ Computer equipment	33.33% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

Trade catalogues

Expenditure relating to the purchase and distribution of trade catalogues is written off in the year in which the catalogue is distributed. The costs of production of current, undistributed catalogues are carried forward to a future accounting period, where material, and are included in debtors.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Principal accounting policies 31 December 2008

Leased assets

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

Pension costs

Contributions in respect of the company's defined contribution schemes are charged to the profit and loss account as incurred.

Deferred taxation

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Notes to the financial statements 31 December 2008

1 Turnover

Turnover and the result before taxation arise solely from the company's principal activity. Turnover attributable to geographical markets outside the United Kingdom amounted to £15,625 (2007 – £20,071).

2 Operating profit

	2008	2007
	£	£
This is stated after charging		
Auditors' remuneration		
. for audit services	20,775	18,500
. for taxation services	2,075	1,850
Operating lease costs in respect of land and buildings	32,500	32,500

3 Staff numbers

The average monthly number of employees during the year was 10 (2007 – 11).

	2008	2007
Sales	6	7
Finance	3	3
Other management and administration	1	1

4 Interest receivable and similar income

	2008	2007
	£	£
Bank interest	4,493	5,679
Interest receivable from group companies	9,829	6,749
	14,322	12,428

Notes to the financial statements 31 December 2008

5 Directors' remuneration

	2008 £	2007 £
Emoluments for services as directors	51,158	66,567
Pension scheme contributions	4,378	3,731
	55,536	70,298

Retirement benefits were accruing to one director (2007 – one) under the defined contribution scheme.

6 Taxation

The tax charge on the profit on ordinary activities for the year was as follows:

	2008 £	2007 £
Corporation tax at 28.5% (2007 - 30%) based on the adjusted results of the year	61,465	120,936
Corporation tax adjustment in respect of prior years	—	—
Total tax on ordinary activities	61,465	120,936

Factors affecting tax charge for the year:

	2008 £	2007 £
Profit on ordinary activities before taxation	220,436	407,143
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.5% (2007 – 30%)	62,824	122,143
Effects of:		
Capital allowances (in excess of) depreciation	(775)	(2,456)
Movement in provisions	(660)	—
Other fixed asset timing differences	—	1,336
Other short term timing differences	—	(87)
Expenses not deductible for tax purposes	76	—
	61,465	120,936

Notes to the financial statements 31 December 2008

7 Tangible fixed assets

	Leasehold improve- ments £	Plant and machinery etc. £	Total £
Cost			
At 1 January 2008	61,813	262,949	324,762
Additions	—	31,828	31,828
Disposals	—	(142,712)	(142,712)
At 31 December 2008	61,813	152,065	213,878
Depreciation			
At 1 January 2008	61,813	255,108	316,921
Charge for year	—	13,158	13,158
On disposals	—	(142,712)	(142,712)
At 31 December 2008	61,813	125,554	187,367
Net book values			
At 31 December 2008	—	26,511	26,511
At 31 December 2007	—	7,841	7,841

8 Debtors

	2008 £	2007 £
Trade debtors	635,900	732,608
Amounts owed by group undertakings		
· Kaiser + Kraft Europa GmbH	125,014	178,398
· AAH Pharmaceuticals Limited	—	162
· Kaiser + Kraft Limited	—	553
Prepayments	215,664	272,275
	976,578	1,183,996

Notes to the financial statements 31 December 2008

9 Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	87,381	86,763
Bank overdraft	51,889	11,582
Amounts owed to group undertakings		
. Kaiser + Kraft Europa GmbH	355,030	381,396
. Kaiser + Kraft GmbH	308	157
. Gaerner GmbH	333	1,834
Social security and other taxes	154,492	164,454
Other creditors	33,375	23,446
Corporation tax	15,508	46,683
Accruals	38,417	91,172
	736,733	807,487

The bank has a charge over the assets of the company to cover an overdraft facility.

10 Deferred taxation

	2008 Amount provided £	2008 Amount unprovided £	2007 Amount provided £	2007 Amount unprovided £
Short term timing differences (asset)	—	(525)	—	(1,174)
Accelerated capital allowances (asset)	—	(11,375)	—	(12,137)
	—	(11,900)	—	(13,311)

11 Called up share capital

	Authorised		Allotted, called up and fully paid	
	2008 £	2007 £	2008 £	2007 £
1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000		
17,333 Ordinary shares of £1 each			17,333	17,333

12 Share premium account

	2008 £	2007 £
At 1 January 2008 and 31 December 2008	98,467	98,467

Notes to the financial statements 31 December 2008

13 Profit and loss account

	2008 £	2007 £
At 1 January 2008	299,453	213,246
Profit on ordinary activities after taxation	158,971	286,207
Interim dividend paid (£17.31 per share : 2007 - £11.54 per share)	(300,000)	(200,000)
At 31 December 2008	158,424	299,453

14 Pension commitments

The company makes contributions to defined contribution schemes. The assets of the schemes are held separately from those of the company in independently administered funds. Contributions payable by the company for the period amounted to £9,873 (2007 - £11,587).

15 Leasing commitments

Operating leases

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2008 £	2007 £
Operating leases which expire:		
Within one year	28,938	28,859
Within one to two years	—	—
Within two to five years	—	—

16 Reconciliation of movements in shareholder's funds

	2008 £	2007 £
Equity Funds		
Profit for the financial year after taxation	158,971	286,207
Interim dividend paid	(300,000)	(200,000)
Net (reduction in) addition to shareholder's funds	(141,029)	86,207
Opening shareholder's funds at 1 January 2008	415,253	329,046
Closing shareholder's funds at 31 December 2008	274,224	415,253

Notes to the financial statements 31 December 2008

17 Related party transactions

The financial statements do not include disclosure of transactions between Powell Mail Order Limited and entities that are part of the TAKKT AG group. This is because as a subsidiary whose shares are more than 90% controlled within the group the company is exempt from the requirement to disclose such transactions under Financial Reporting Standard 8 "Related Party Disclosures".

18 Immediate and ultimate parent company and control

The immediate parent company and controlling entity in the two years ended 31 December 2008 was Kaiser + Kraft Europa GmbH.

The ultimate parent company in the two years ended 31 December 2008 was Franz Haniel & Cie GmbH, a company incorporated in Germany.

The largest group in which the results of the company are consolidated is that headed by Franz Haniel & Cie GmbH. The consolidated accounts, which are available to the public, may be obtained from D-47118 Duisburg, Germany.

Franz Haniel & Cie GmbH is controlled by members of the Haniel family.

Detailed trading and profit and loss account Year to 31 December 2008

This page does not form part of the statutory financial statements

	2008 £	2008 £	2007 £	2007 £
Sales				
To external companies		4,616,064		4,533,971
Cost of sales				
Stocks at 1 January 2008	30,903		34,947	
Purchases	2,606,610		2,379,985	
Freight costs	543,952		500,487	
Less: discounts	(113)		(229)	
	3,181,352		2,915,190	
Less: Stocks at 31 December 2008	(7,650)		(30,903)	
		3,173,702		2,884,287
Gross profit	(31.25%)	1,442,362	(36.38%)	1,649,684
Other income				
Interest receivable and similar income		14,322		12,428
Rent receivable		—		12,000
		1,456,684		1,674,112
Personnel expenses				
Staff costs	226,303		273,527	
Pension contributions	9,873		11,587	
		236,176		285,114
Establishment expenses				
Rent and rates	49,116		48,481	
Light, heat and power	5,699		5,764	
		54,815		54,245
Carried forward		1,165,693		1,334,753

Distribution and administrative expenses Year to 31 December 2008

This page does not form part of the statutory financial statements

	2008 £	2008 £	2007 £	2007 £
Brought forward		1,165,693		1,334,753
Selling and distribution expenses				
Printing and mailing	723,065		740,430	
Internet sales commission	1,260		—	
Telephone	9,931		10,737	
		734,256		751,167
Administrative expenses				
Staff training	5,541		4,227	
Staff recruitment	811		4,532	
Printing and stationery	6,591		6,305	
Legal and professional	7,925		9,196	
Audit and accountancy	18,975		18,500	
Insurance – general	8,660		4,695	
Insurance – motor vehicles	1,986		1,491	
Computer costs	66,541		61,479	
Repairs and maintenance	4,791		4,503	
Travelling	10,311		10,259	
Motor expenses	9,594		8,876	
Cleaning	4,167		3,723	
General expenses	36,497		12,642	
		182,390		150,428
Finance				
Bank charges	9,950		11,365	
Sundry interest	49		172	
Depreciation of fixed assets	13,158		8,876	
Provision for doubtful debts	5,454		5,602	
		28,611		26,015
Profit on ordinary activities for the year		220,436		407,143