

REGISTRAR OF COMPANIES

**Powell
Mail
Order
Limited**

**Annual report and audited financial
statements**

31 December 2011

Company Registration Number
02868348 (England and Wales)

TUESDAY



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06/03/2012

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COMPANIES HOUSE

Directors	J D Ellis J Monig F Zimmermann
Secretary	Eversecretary Limited
Registered office	Unit 1 Heol Aur Dafen Industrial Park Llanelli Wales SA14 8QN
Registered number	02868348 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Solicitors	Eversheds 1 Wood Street London EC2V 7WS
Bankers	HSBC Bank plc 4a Vaughan Street Llanelli Carmarthenshire SA15 3TY

Powell Mail Order Limited

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part of the statutory financial statements

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Directors' report 31 December 2011

The directors present their report with the financial statements of the company for the year ended 31 December 2011

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

Strong growth in sales in the first nine months of 2011, due to improved and increased marketing spend, was partly offset by deteriorating market conditions and confidence from Autumn onwards, mainly ascribed to the wider macro-economic concern over the European debt crisis

Nevertheless, overall growth in excess of 8.7% was recorded for the year which, together with a 1.6 percentage point improvement in the Gross Margin, represents a relatively strong performance for the Company, given the sustained lack of growth across the UK Economy

The Company would have returned to a position of profit in the year but for a significant one-off investment in the field of web video promotion, a successful entry into an increasingly important area, and one which is being subsequently rolled out across the European Group

Looking forward, the Directors believe that the likely continued weakening of the Euro will directly impact positively upon continued Gross Margins in 2012, and a continued path of steady growth in sales is also forecast for the year.

Dividends

The directors do not recommend a dividend (2010 - £nil)

Directors

The directors in office during the year were as follows

J Ellis
J Monig
F Zimmermann

Directors' report 31 December 2011

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the directors to prepare financial statements for each financial year which 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, subject to any material departures disclosed and explained in the financial statements, 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 adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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

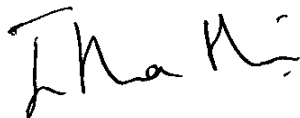
Each of the directors confirms that

- ◆ 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 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 s418 of the Companies Act 2006

The above report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

Signed on behalf of the board of directors



J D Ellis - Director

Approved by the board on

30/1/2012

Independent auditor's report 31 December 2011

Independent auditor's report to the members of Powell Mail Order Limited

We have audited the financial statements of Powell Mail Order Limited for the year ended 31 December 2011, which comprise the profit and loss account, the balance sheet, the principal accounting policies and the related notes. 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 independent auditor

As explained more fully in the statement of directors' responsibilities set out in the directors' report, 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 and express an opinion on 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- ◆ give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss 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 matter prescribed by the Companies Act 2006

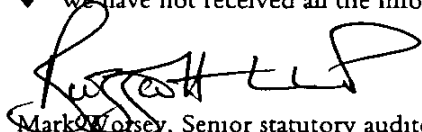
In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report 31 December 2011

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



Mark Worsey, Senior statutory auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

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Profit and loss account Year to 31 December 2011

	Notes	2011 £	2011 £	2010 £	2010 £
Turnover	1		3,470,504		3,192,539
Cost of sales			(2,305,858)		(2,170,099)
Gross profit			1,164,646		1,022,440
Staff costs	3				
Salaries		214,435		207,114	
Social security costs		24,350		22,182	
Other pension costs		10,859		10,665	
			249,644		239,961
Depreciation of tangible fixed assets		7,070		10,994	
Other operating charges		908,569		775,590	
			915,639		786,584
Operating loss	2		(637)		(4,105)
Interest payable on bank overdraft			(231)		(342)
Interest receivable and similar income	4		29		901
Loss on ordinary activities before taxation			(839)		(3,546)
Taxation on profit on ordinary activities	6		—		—
Loss on ordinary activities after taxation			(839)		(3,546)

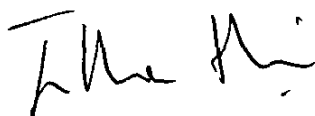
None of the company's activities were acquired or permanently discontinued during the above two financial periods

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 2011

	Notes	2011 £	2011 £	2010 £	2010 £
Fixed assets					
Tangible assets	7		11,025		21,185
Current assets					
Stocks		2,688		691	
Debtors	8	634,193		670,616	
Cash at bank and in hand		190		118	
		<u>637,071</u>		<u>671,425</u>	
Creditors amounts falling due within one year	9	<u>602,294</u>		<u>645,969</u>	
Net current assets			<u>34,777</u>		<u>25,456</u>
Total assets less current liabilities			<u>45,802</u>		<u>46,641</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>(69,998)</u>		<u>(69,159)</u>
Shareholder's funds	16		<u>45,802</u>		<u>46,641</u>

Signed on behalf of the board of directors



J D Ellis - Director

Approved by the board on 30/1/2012.

Powell Mail Order Limited

Company registration number: 02868348 (England and Wales)

Principal accounting policies 31 December 2011

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK 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	25% 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 2011

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 2011

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 £83,573 (2010 - £16,938)

2 Operating profit

	2011 £	2010 £
This is stated after charging		
Auditor's remuneration		
for audit services	17,800	16,950
for other services relating to taxation	2,750	2,150
for other non audit services	1,700	1,600
Operating lease costs in respect of land and buildings	21,685	21,685

3 Staff numbers

The average monthly number of employees during the year was 8 (2010 - 8)

	2011	2010
Sales	4	4
Finance	3	3
Other management and administration	1	1

4 Interest receivable and similar income

	2011 £	2010 £
Bank interest	29	37
Other interest receivable	—	864
	29	901

Notes to the financial statements 31 December 2011

5 Directors' remuneration

	2011 £	2010 £
Emoluments for services as directors	82,511	79,324
Pension scheme contributions	4,933	3,479
	87,444	82,803

Retirement benefits were accruing to one director (2010 – one) under the defined contribution scheme

6 Taxation

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

	2011 £	2010 £
Corporation tax at 26.49% (2010 - 28%) based on the adjusted results of the year	—	—
Total tax on ordinary activities	—	—

Factors affecting tax charge for the year

	2011 £	2010 £
Loss on ordinary activities before taxation	(839)	(3,546)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.49% (2010 – 28%)	(222)	(993)
Effects of		
Capital allowances (in excess of) depreciation	(527)	(968)
Movement in provisions	—	5,604
Unutilised tax losses carried forward	387	(3,653)
Expenses not deductible for tax purposes	92	10
Other short term timing differences	270	—
	—	—

Notes to the financial statements 31 December 2011

7 Tangible fixed assets

	Leasehold improve- ments £	Plant and machinery etc £	Total £
Cost			
At 1 January 2011	61,813	170,408	232,221
Additions	—	1,110	1,110
Disposals	—	(139,763)	(139,763)
At 31 December 2011	61,813	31,755	93,568
Depreciation			
At 1 January 2011	61,813	149,223	211,036
Charge for year	—	7,070	7,070
Disposals	—	(135,563)	(135,563)
At 31 December 2011	61,813	20,730	82,543
Net book values			
At 31 December 2011	—	11,025	11,025
At 31 December 2010	—	21,185	21,185

8 Debtors

	2011 £	2010 £
Trade debtors	477,055	528,638
Amounts owed by group undertakings	9,084	—
Prepayments	139,404	133,028
Other debtors	8,650	8,950
	634,193	670,616

Amounts due after one year included in other debtors total £5,350 (2010 - £7,150)

Notes to the financial statements 31 December 2011

9 Creditors: amounts falling due within one year

	2011 £	2010 £
Bank overdraft	8,101	74,460
Trade creditors	85,331	81,735
Amounts owed to group undertakings		
Kaiser + Kraft Europa GmbH	307,828	298,865
Kaiser + Kraft GmbH	178	130
Gaerner GmbH	163	1,116
Social security and other taxes	133,992	130,198
Other creditors	6,000	1,008
Accruals	60,701	58,457
	602,294	645,969

The bank has fixed and floating charges over the assets of the company to cover an overdraft facility

10 Deferred taxation

	2011 Amount provided £	2011 Amount unprovided £	2010 Amount provided £	2010 Amount unprovided £
Short term timing differences (asset)	—	(255)	—	(5,400)
Accelerated capital allowances (asset)	—	(5,195)	—	(6,147)
Losses carried forward	—	(23,598)	—	(19,701)
	—	(29,048)	—	(31,248)

11 Called up share capital

	Allotted, called up and fully paid	
	2011 £	2010 £
17,333 Ordinary shares of £1 each	17,333	17,333

12 Share premium account

	2011 £	2010 £
At 1 January 2011 and 31 December 2011	98,467	98,467

Notes to the financial statements 31 December 2011

13 Profit and loss account

	2011 £	2010 £
At 1 January 2011	(69,159)	(65,613)
Loss on ordinary activities after taxation	(839)	(3,546)
At 31 December 2011	(69,998)	(69,159)

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 £10,859 (2010 - £10,665).

15 Leasing commitments

Operating leases

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows

	Other		Land and buildings	
	2011 £	2010 £	2011 £	2010 £
Operating leases which expire				
Within one year	1,685	—	20,000	—
Within one to two years	—	1,685	—	20,000

16 Reconciliation of movements in shareholder's funds

	2011 £	2010 £
Equity Funds		
Loss for the financial year after taxation	(839)	(3,546)
Opening shareholder's funds at 1 January 2011	46,641	50,187
Closing shareholder's funds at 31 December 2011	45,802	46,641

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 100% controlled within the group the company is exempt from the requirement to disclose such transactions under Financial Reporting Standard 8 "Related Party Disclosures".

During the year a loan of £nil (2010 - £10,000) was advanced to J D Ellis by the company. No interest is to be charged on this loan and the whole amount is expected to be repaid by the fifth anniversary of the date of the agreement. The loan is secured as a second charge against J Ellis' property. Total repayments during the year were £1,800 (2010 - £1,050). The balance outstanding at 31 December 2011 was £7,150 (2010 - £8,950).

During the year a company car was sold to J D Ellis by the company for £4,200, its net book value which was above the market value of the vehicle at that time. There was no balance outstanding at 31 December 2011.

18 Immediate and ultimate parent company and control

The immediate parent company in the two years ended 31 December 2011 was Kaiser + Kraft Europa GmbH, a company incorporated in Germany.

The ultimate parent company in the two years ended 31 December 2011 was Franz Haniel & Cie GmbH, a company incorporated in Germany. Franz Haniel and Cie GmbH is controlled by members of the Haniel family.

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.