

REGISTRAR OF COMPANIES

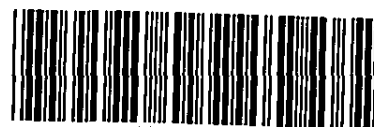
Powell Mail Order Limited

**Annual Report and Audited Financial
Statements**

31 December 2012

Company Registration Number
02868348 (England and Wales)

WEDNESDAY



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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 2012

The directors present their report with the financial statements of the company for the year ended 31 December 2012

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

2012 saw a deterioration of wider trading conditions across the UK, due to a combination of factors, not least the continued depression of the macro-economic situation, the reduction in public sector expenditure and a corresponding nervousness within the market in regard to commitment to expenditure

A year on year drop in turnover of 11.8% represents a disappointment for the company, but careful attention to advertising expenditure and lowering discount levels have contributed to a return in profitability in 2012, even at the reduced turnover figure. The overall Gross margin improvement of 2.5 percentage points was a contributory factor to this, most notably in the final quarter when the disadvantageous prevailing exchange rate moved in favour of cost reductions

The Directors believe that continued uncertainty in the national and European Markets will again provide a challenging backdrop to Powell's activities and consequently forecast only minor growth in sales. Consolidation of existing business and further focus on advertising effectiveness mean, however, that a disproportionate rise in profits is anticipated for the year

Dividends

The directors do not recommend a dividend (2011 - £nil)

Directors

The directors in office during the year were as follows

J Ellis

J Mönig

F Zimmermann

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 2013

Independent auditor's report 31 December 2012

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 2012, 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 2012 and of its profit 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

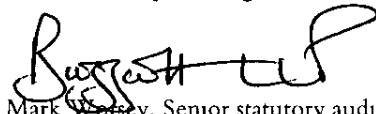
In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report 31 December 2012

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, or
- ◆ the directors were not entitled to prepare the directors' report in accordance with the small companies regime



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

30 January 2013

Profit and loss account Year to 31 December 2012

	Notes	2012 £	2012 £	2011 £	2011 £
Turnover	1		3,059,962		3,470,504
Cost of sales			(1,923,255)		(2,305,858)
Gross profit			1,136,707		1,164,646
Staff costs	3				
Salaries		225,896		214,435	
Social security costs		24,706		24,350	
Other pension costs		11,348		10,859	
			(261,950)		(249,644)
Depreciation of tangible fixed assets		5,456		7,070	
Other operating charges		805,027		908,569	
			(810,483)		(915,639)
Operating profit/(loss)	2		64,274		(637)
Interest payable on bank overdraft			(321)		(231)
Interest receivable and similar income	4		50		29
Profit/(loss) on ordinary activities before taxation			64,003		(839)
Taxation on profit on ordinary activities	6		—		—
Profit/(loss) on ordinary activities after taxation			64,003		(839)

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 2012

	Notes	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Tangible assets	7		15,835		11,025
Current assets					
Stocks		1,246		2,688	
Debtors	8	596,808		634,193	
Cash at bank and in hand		429		190	
		<u>598,483</u>		<u>637,071</u>	
Creditors amounts falling due within one year	9	<u>(504,513)</u>		<u>(602,294)</u>	
Net current assets			<u>93,970</u>		<u>34,777</u>
Total assets less current liabilities			<u>109,805</u>		<u>45,802</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>(5,995)</u>		<u>(69,998)</u>
Shareholder's funds	16		<u>109,805</u>		<u>45,802</u>

Signed on behalf of the board of directors



J D Ellis - Director

30.1.2013

Approved by the board on

Powell Mail Order Limited

Company registration number. 02868348 (England and Wales)

Principal accounting policies 31 December 2012

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 expensed 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 prepayments

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 2012

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 2012

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 £41,465 (2011 - £83,573).

2 Operating profit

	2012 £	2011 £
This is stated after charging		
Auditor's remuneration		
for audit services	18,250	17,800
for other services relating to taxation	2,825	2,750
for other non audit services	1,750	1,700
Operating lease costs	18,065	21,685

3 Staff numbers

The average monthly number of employees during the year was 8 (2011 - 8)

	2012	2011
Sales	4	4
Finance	3	3
Other management and administration	1	1

4 Interest receivable and similar income

	2012 £	2011 £
Bank interest	50	29
	50	29

5 Directors' remuneration

	2012 £	2011 £
Emoluments for services as directors	85,260	82,511
Pension scheme contributions	4,762	4,933
	90,022	87,444

Retirement benefits were accruing to one director (2011 - one) under the defined contribution scheme.

Notes to the financial statements 31 December 2012

6 Taxation

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

	2012 £	2011 £
Corporation tax at 24.5% (2011 – 26.49%) based on the adjusted results of the year	—	—
Total tax on ordinary activities	—	—
Factors affecting tax charge for the year		
	2012 £	2011 £
Profit/(loss) on ordinary activities before taxation	64,003	(839)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.50% (2011 – 26.49%)	15,679	(222)
Effects of		
Capital allowances (in excess of) depreciation	(2,286)	(527)
Expenses not deductible for tax purposes	57	92
Other short term timing differences	86	270
(Utilisation)/accumulation of tax losses	(13,536)	387
	—	—

7 Tangible fixed assets

	Leasehold improve- ments £	Plant and machinery etc £	Total £
Cost			
At 1 January 2012	61,813	31,755	93,568
Additions	—	10,266	10,266
At 31 December 2012	61,813	42,021	103,834
Depreciation			
At 1 January 2012	61,813	20,730	82,543
Charge for year	—	5,456	5,456
At 31 December 2012	61,813	26,186	87,999
Net book values			
At 31 December 2012	—	15,835	15,835
At 31 December 2011	—	11,025	11,025

Notes to the financial statements 31 December 2012

8 Debtors

	2012 £	2011 £
Trade debtors	479,617	477,055
Amounts owed by group undertakings	—	9,084
Prepayments - trade catalogues	104,681	124,116
Prepayments - other	10,560	15,288
Other debtors	1,950	8,650
	596,808	634,193

Amounts due after one year included in other debtors total £600 (2011 - £5,350)

9 Creditors amounts falling due within one year

	2012 £	2011 £
Bank overdraft	9,522	8,101
Trade creditors	54,408	85,331
Amounts owed to group undertakings		
Kaiser + Kraft Europa GmbH	232,637	307,828
Kaiser + Kraft GmbH	269	178
Gaerner GmbH	3,492	163
	236,398	308,169
Social security and other taxes	128,152	133,992
Other creditors	8,000	6,000
Accruals	68,033	60,701
	504,513	602,294

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

10 Deferred taxation

	2012 Amount provided £	2012 Amount unprovided £	2011 Amount provided £	2011 Amount unprovided £
Short term timing differences (asset)	—	(939)	—	(255)
Accelerated capital allowances (asset)	—	(315)	—	(5,195)
Losses carried forward	—	(10,683)	—	(23,598)
	—	(11,937)	—	(29,048)

Notes to the financial statements 31 December 2012

11 Called up share capital

	Allotted, called up and fully paid	
	2012	2011
	£	£
17,333 Ordinary shares of £1 each	17,333	17,333

12 Share premium account

	2012	2011
	£	£
At 1 January 2012 and 31 December 2012	98,467	98,467

13 Profit and loss account

	2012	2011
	£	£
At 1 January 2012	(69,998)	(69,159)
Profit/(loss) on ordinary activities after taxation	64,003	(839)
At 31 December 2012	(5,995)	(69,998)

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 £11,348 (2011 - £10,859).

15 Leasing commitments

Operating leases

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows

	Other		Land and buildings	
	2012	2011	2012	2011
	£	£	£	£
Operating leases which expire				
Within one year	—	1,685	—	20,000
Within two to five years	1,815	—	15,000	—

Notes to the financial statements 31 December 2012

16 Reconciliation of movements in shareholder's funds

	2012 £	2011 £
Equity Funds		
Profit/(loss) for the financial year after taxation	64,003	(839)
Opening shareholder's funds at 1 January 2012	45,802	46,641
Closing shareholder's funds at 31 December 2012	109,805	45,802

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".

At the year end there was a balance outstanding of £1,950 (2011 - £7,150) on a loan 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 1 May 2014. The loan is secured as a second charge against J Ellis' property. Total repayments during the year were £5,200 (2011 - £1,800).

18 Immediate and ultimate parent company and control

The immediate parent company in the two years ended 31 December 2012 was Kaiser + Kraft Europa GmbH, a company incorporated in Germany.

The ultimate parent company in the two years ended 31 December 2012 was Franz Haniel & Cie GmbH, a company incorporated in Germany. Franz Haniel and Cie GmbH is controlled by members of the Haniel family.

The smallest group in which the results of the company are consolidated is that headed by TAKKT AG. 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 Franz Haniel & Cie GmbH, D-47118 Duisburg, Germany.