

# REGISTRAR OF COMPANIES

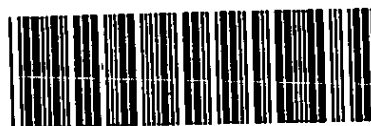
## Powell Mail Order Limited

### Directors' report and financial statements

for the year ended 31 December 2013

Registered number 02868348

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**Company Information**

<b>Directors</b>	J D Ellis J Mönig F Zimmermann
<b>Company secretary</b>	Eversecretary Limited
<b>Registered number</b>	02868348
<b>Registered office</b>	Unit 1 Heol Aur Dafen Industrial Park Llanelli Wales SA14 8QN
<b>Independent auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	HSBC Bank plc 4a Vaughan Street Llanelli Carmarthenshire SA15 3TY
<b>Solicitors</b>	Eversheds 1 Wood Street London EC2V 7WS

## **Contents**

	<b>Page</b>
<b>Directors' report</b>	<b>1 - 2</b>
<b>Independent auditor's report</b>	<b>3 - 4</b>
<b>Profit and loss account</b>	<b>5</b>
<b>Balance sheet</b>	<b>6</b>
<b>Notes to the financial statements</b>	<b>7 - 13</b>
 The following pages do not form part of the statutory financial statements	
<b>Detailed profit and loss account and summaries</b>	<b>14 - 16</b>

## **Directors' report**

for the year ended 31 December 2013

The directors present their report and the financial statements for the year ended 31 December 2013

### **Review of business and future developments**

Weaker than expected demand in the first half of 2013 reflected the observed wider UK trend of low confidence resulting in hesitancy in committing to investment. Falling order levels led to a re-structuring of the business mid-year with the consequent loss of one full time employee.

A return to previous order levels in the last four months of the year supports the wider view of a slow but steady return to growth and with that, a willingness of UK enterprises to re-invest.

Adverse moves in the currency exchange rate from the end of 2012 significantly affected the forecast Gross Margin during the year, but control of the marketing spend has allowed the company to show a small profit during the period.

The directors believe that the momentum gained at the end of 2013 will continue onwards through the year and that Powell can anticipate a return to substantial growth in turnover and profitability in 2014.

### **Results and dividends**

The profit for the year, after taxation, amounted to £2,682 (2012 - £64,003).

The directors do not recommend a dividend (2012 - £nil).

### **Directors**

The directors who served during the year were

J D Ellis  
J Möning  
F Zimmermann

### **Directors' responsibilities statement**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**Directors' report**

for the year ended 31 December 2013

**Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information

**Auditor**

The auditor, Buzzacott LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 29 January 2014 and signed on its behalf



29-1-2014.

**J D Ellis**  
Director



## **Independent auditor's report to the shareholders of Powell Mail Order Limited** for the year ended 31 December 2013

We have audited the financial statements of Powell Mail Order Limited for the year ended 31 December 2013, set out on pages 5 to 13. 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 auditor**

As explained more fully in the Directors' responsibilities statement, 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 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 Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 2013 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 to the shareholders of Powell Mail Order Limited** for the year ended 31 December 2013

### **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 take advantage of the small companies' exemption in preparing the Directors' report



Mark Worsey (Senior statutory auditor)

for and on behalf of  
**Buzzacott LLP**

Statutory Auditor

130 Wood Street  
London  
EC2V 6DL

29 January 2014



**Profit and loss account**

for the year ended 31 December 2013

	Note	2013 £	2012 £
<b>Turnover</b>	2	<b>2,835,312</b>	3,059,962
Changes in stocks and purchases of finished goods		<b>(1,811,159)</b>	(1,923,255)
<b>Gross profit</b>		<b>1,024,153</b>	1,136,707
Other operating charges		<b>(767,977)</b>	(805,027)
Staff costs		<b>(247,817)</b>	(261,950)
Depreciation and amortisation		<b>(5,640)</b>	(5,456)
<b>Operating profit</b>	3	<b>2,719</b>	64,274
Interest receivable and similar income	7	<b>73</b>	50
Interest payable and similar charges	8	<b>(110)</b>	(321)
<b>Profit on ordinary activities before taxation</b>		<b>2,682</b>	64,003
Tax on profit on ordinary activities	9	<b>-</b>	-
<b>Profit for the financial year</b>	15	<b>2,682</b>	64,003

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account


The notes on pages 7 to 13 form part of these financial statements

## Balance sheet

as at 31 December 2013

	Note	£	2013 £	£	2012 £
<b>Fixed assets</b>					
Tangible assets	10		13,546		15,835
<b>Current assets</b>					
Stocks		5,322		1,246	
Debtors	11	596,199		596,808	
Cash at bank and in hand		5,662		429	
		<u>607,183</u>		<u>598,483</u>	
<b>Creditors</b> amounts falling due within one year	12	(508,242)		(504,513)	
<b>Net current assets</b>			<u>98,941</u>		<u>93,970</u>
<b>Net assets</b>			<u>112,487</u>		<u>109,805</u>
<b>Capital and reserves</b>					
Called up share capital	14		17,333		17,333
Share premium account	15		98,467		98,467
Profit and loss account	15		(3,313)		(5,995)
<b>Shareholders' funds</b>	18		<u>112,487</u>		<u>109,805</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 January 2014

 29-1-2014

**J D Ellis**  
Director

The notes on pages 7 to 13 form part of these financial statements

## Notes to the financial statements

for the year ended 31 December 2013

### 1 Accounting policies

#### 1.1 Basis of preparation of financial statements

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

#### 1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

#### 1.3 Turnover

Turnover consists of sales of goods at invoices value excluding VAT

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at the following annual rates in order to write off each asset over its expected useful life

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

#### 1.5 Stocks

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

#### 1.6 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

#### 1.7 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

#### 1.8 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

#### 1.9 Pensions

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

## Notes to the financial statements

for the year ended 31 December 2013

### 1 Accounting policies (continued)

#### 1 10 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.

### 2. 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 £33,282 (2012 - £41,465).

### 3 Operating profit

The operating profit is stated after charging

	2013 £	2012 £
Depreciation of tangible fixed assets		
- owned by the company	5,640	5,456
Operating lease rentals		
- Operating leases	16,815	18,065
	<u>16,815</u>	<u>18,065</u>

### 4 Auditors' remuneration

	2013 £	2012 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	18,625	18,250
Fees payable to the company's auditor and its associates in respect of		
Taxation compliance services	2,375	2,825
All other non-audit services not included above	2,375	1,750
	<u>2,375</u>	<u>1,750</u>

**Notes to the financial statements**  
for the year ended 31 December 2013

**5 Staff costs**

Staff costs, including directors' remuneration, were as follows

	2013 £	2012 £
Wages and salaries	215,937	225,896
Social security costs	21,685	24,706
Other pension costs	10,195	11,348
	<u>247,817</u>	<u>261,950</u>

The average monthly number of employees during the year was as follows

	2013 No	2012 No
Sales	4	4
Finance	3	3
Other management and administration	1	1
	<u>8</u>	<u>8</u>

**6 Directors' remuneration**

	2013 £	2012 £
Remuneration	<u>60,570</u>	<u>85,260</u>
Company pension contributions to defined contribution pension schemes	<u>4,474</u>	<u>4,762</u>

Reirement benefits were accruing to 1 director (2012 - 1) under the defined contribution scheme

**7 Interest receivable**

	2013 £	2012 £
Other interest receivable	<u>73</u>	<u>50</u>

**8 Interest payable**

	2013 £	2012 £
On bank loans and overdrafts	<u>110</u>	<u>321</u>



## Notes to the financial statements

for the year ended 31 December 2013

### 9 Taxation

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below

	2013 £	2012 £
Profit on ordinary activities before tax	2,682	64,003
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	624	15,679
<b>Effects of</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	201	57
Capital allowances for year in excess of depreciation	(301)	(2,286)
Utilisation of tax losses	(392)	(13,536)
Other timing differences leading to an increase (decrease) in taxation	(132)	86
<b>Current tax charge for the year (see note above)</b>	-	-

### 10 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Total £
<b>Cost</b>			
At 1 January 2013	61,813	42,021	103,834
Additions	-	3,351	3,351
At 31 December 2013	61,813	45,372	107,185
<b>Depreciation</b>			
At 1 January 2013	61,813	26,186	87,999
Charge for the year	-	5,640	5,640
At 31 December 2013	61,813	31,826	93,639
<b>Net book value</b>			
At 31 December 2013	-	13,546	13,546
At 31 December 2012	-	15,835	15,835

**Notes to the financial statements**  
for the year ended 31 December 2013

**11 Debtors**

	2013 £	2012 £
Trade debtors	492,399	479,617
Prepayments - trade catalogues	73,987	104,681
Prepayments - other	14,213	10,560
Other debtors	15,600	1,950
	<u>596,199</u>	<u>596,808</u>

Included within other debtors at 31 December 2013 is an amount of £12,800 due after more than one year (2012 - £nil)

**12 Creditors**  
**Amounts falling due within one year**

	2013 £	2012 £
Bank loans and overdrafts	-	9,522
Trade creditors	66,439	54,408
Amounts owed to group undertakings	265,763	236,398
Other taxation and social security	116,410	128,152
Other creditors	17,000	8,000
Accruals and deferred income	42,630	68,033
	<u>508,242</u>	<u>504,513</u>

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

**Amounts owed to group undertakings**

	2013 £	2012 £
Kaiser + Kraft Europa GmbH	264,753	232,637
Kaiser + Kraft GmbH	-	269
Gaerner GmbH	1,010	3,492
	<u>265,763</u>	<u>236,398</u>
Total		

## Notes to the financial statements

for the year ended 31 December 2013

### 13 Deferred taxation

	2013 Amount provided £	2013 Amount unprovided £	2012 Amount provided £	2012 Amount unprovided £
Short term timing differences (assets)	-	(557)	-	(939)
Accelerated capital allowances	-	(90)	-	(315)
Losses carried forward	-	(8,952)	-	(10,683)
Total	-	(9,599)	-	(11,937)

### 14 Share capital

	2013 £	2012 £
<b>Allotted, called up and fully paid</b>		
17,333 Ordinary shares of £1 each	17,333	17,333

### 15. Reserves

	Share premium account £	Profit and loss account £
At 1 January 2013	98,467	(5,995)
Profit for the financial year		2,682
At 31 December 2013	98,467	(3,313)

### 16 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 £10,195 (2012 - £11,348)

### 17 Operating lease commitments

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2013 £	2012 £	2013 £	Other 2012 £
<b>Expiry date.</b>				
Between 2 and 5 years	15,000	15,000	1,815	1,815

**Notes to the financial statements**  
for the year ended 31 December 2013

**18 Reconciliation of movement in shareholders' funds**

	2013 £	2012 £
Opening shareholders' funds	109,805	45,802
Profit for the financial year	2,682	64,003
Closing shareholders' funds	<u>112,487</u>	<u>109,805</u>

**19 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 £nil (2012 - £1,950) on a loan advanced to J D Ellis by the company. The loan is secured by a second charge against J Ellis' property. Total repayments during the year were £1,950 (2012 - £5,200).

A new loan was issued within the year to J D Ellis, a director, amounting to £16,500. Amounts repaid during the year totalled £900 (2012 - £nil). The balance outstanding at 31 December 2013 was £15,600 (2012 - £nil). Compound interest of 3.7464% recurring is applied to the principal sum advanced. Interest amounting to £349 (2012 - £nil) was charged in the year. The loan is secured as a second charge against J D Ellis' property.

**20. Immediate and ultimate parent company and control**

The immediate parent company in the two years ended 31 December 2013 was Kaiser + Kraft Europa GmbH, a company incorporated in Germany.

The ultimate parent company in the two years ended 31 December 2013 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.