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**Powell
Mail
Order
Limited**

**Annual report and financial
statements**

31 December 2009

Company Registration Number
2868348 (England and Wales)

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Directors	J D Ellis J Monig F Zimmerman
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

Powell Mail Order Limited

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

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Directors' report 31 December 2009

The directors present their report with the financial statements of the company for the year ended 31 December 2009

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

The company saw a substantial decrease in Turnover during the year, mostly ascribed to the continuing decline in the UK Economy through the deepening Recession. This 28% drop in business resulted in a loss for the financial year.

The main influencing factors of this decline were the rapid drop in expenditure within the Manufacturing sector (traditionally some 30% of the customer base), increased pressure on selling prices due to heavy discounting by competitors and a high incidence of "spot-buying" by traditionally loyal customers as the year progressed. The combination of continued pressure on margins due to further adverse movements in the Exchange rate of Sterling relative to the Euro and the commitment to advertising spend to protect market position of the future further exacerbated the situation.

Looking ahead, with the predicted emergence of the UK Economy from recession, and a corresponding increase in spend within Powell's traditional markets coupled with a new Webshop to capitalise on moves to electronic ordering, the Directors expect a modest growth in turnover within the next 12 months and a return to profitability in that same timeframe.

During the year the company made charitable contributions of £75

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 dividend (2008 - £300,000)

Directors

The directors in office during the year were as follows

J Ellis
J Mönnig
G Gayer (resigned 29 May 2009)
F Zimmerman (appointed 15 October 2009)

Directors' report 31 December 2009

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

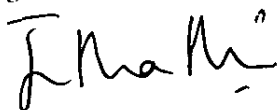
The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets 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

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



Director

JONATHAN ELLIS
MANAGING DIRECTOR

Jonathan Ellis
Managing Director

Approved by the board on

29.1 2010

Independent auditor's report 31 December 2009

Independent auditor's 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 2009, which comprise the profit and loss account, the balance sheet, in shareholders' funds 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 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/UKNP.

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 2009 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

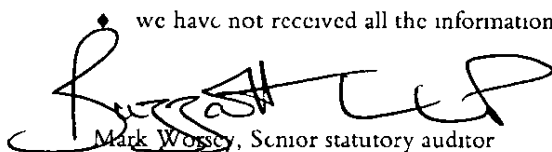
In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report 31 December 2009

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 Worsley, Senior statutory auditor
for and on behalf of Buzzacott LLP,
12 New Fetter Lane
London
EC4A 1AG

29 Jan 2010

Profit and loss account Year to 31 December 2009

	Notes	2009 £	2009 £	2008 £	2008 £
Turnover	1		3,319,392		4,616,064
Cost of sales			(2,421,106)		(3 173,702)
Gross profit			898,286		1,442,362
Staff costs	3				
Salaries		213,777		206,369	
Social security costs		20,849		19,934	
Other pension costs		7,593		9,873	
			242,219		236,176
Depreciation of tangible fixed assets		12,675		13,158	
Other operating charges		929,511		986,865	
			942,186		1 000,023
Operating (loss)/profit	2		(286,119)		206,163
Interest payable on bank overdraft			(95)		(49)
Interest receivable and similar income	4		712		14,322
(Loss)/profit on ordinary activities before taxation			(285,502)		220,436
Taxation on profit on ordinary activities	6		61,465		(61,465)
(Loss)/profit on ordinary activities after taxation			(224,037)		158,971

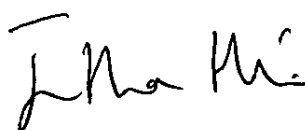
None of the company's activities were acquired or permanently discontinued during the above two financial periods

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 2009

	Notes	2009 £	2009 £	2008 £	2008 £
Fixed assets					
Tangible assets	7		28,366		26,511
Current assets					
Stocks		13,887		7,650	
Debtors	8	623,434		976,578	
Cash at bank and in hand		175		218	
		<u>637,496</u>		<u>984,446</u>	
Creditors amounts falling due within one year	9	<u>615,675</u>		<u>736,733</u>	
Net current assets			<u>21,821</u>		<u>247,713</u>
Total assets less current liabilities			<u>50,187</u>		<u>274,224</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>(65,613)</u>		<u>158,424</u>
Shareholder's funds	16		<u>50,187</u>		<u>274,224</u>

Signed on behalf of the board of directors



Director

JONATHAN ELLIS
MANAGING DIRECTOR.

Jonathan Ellis
Managing Director

Approved by the board on 29.1.2010

Powell Mail Order Limited
Company registration number : 2868348 (England and Wales)

Principal accounting policies 31 December 2009

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	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 2009

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 2009

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
£12,563 (2008 - £15,625)

2 Operating profit

	2009 £	2008 £
This is stated after charging		
Auditor's remuneration		
for audit services	19,760	20,775
for taxation services	2,075	2,075
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 9 (2008 - 10)

	2009	2008
Sales	5	6
Finance	3	3
Other management and administration	1	1

4 Interest receivable and similar income

	2009 £	2008 £
Bank interest	54	4,493
Interest receivable from group companies	174	9,829
Other interest receivable	484	—
	712	14,322

Notes to the financial statements 31 December 2009

5 Directors' remuneration

	2009 £	2008 £
Emoluments for services as directors	52,308	51,158
Pension scheme contributions	2,830	4,378
	55,138	55,536

Retirement benefits were accruing to one director (2008 – one) under the defined contribution scheme

6 Taxation

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

	2009 £	2008 £
Corporation tax at 28% (2008 - 28.5%) based on the adjusted results of the year	(61,465)	61,465
Total tax on ordinary activities	(61,465)	61,465

Factors affecting tax charge for the year

	2009 £	2008 £
Loss on ordinary activities before taxation	(285,502)	220,436
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 – 28.5%)	(79,941)	62,824
Effects of		
Capital allowances (in excess of) depreciation	(4,032)	(775)
Movement in provisions	(525)	(660)
Unutilised tax losses carried forward	23,012	—
Expenses not deductible for tax purposes	21	76
	(61,465)	61,465

Notes to the financial statements 31 December 2009

7 Tangible fixed assets

	Leasehold improve- ments £	Plant and machinery etc £	Total £
Cost			
At 1 January 2009	61,813	152,065	213,878
Additions	—	14,530	14,530
Disposals	—	—	—
At 31 December 2009	61,813	166,595	228,408
Depreciation			
At 1 January 2009	61,813	125,554	187,367
Charge for year	—	12,675	12,675
On disposals	—	—	—
At 31 December 2009	61,813	138,229	200,042
Net book values			
At 31 December 2009	—	28,366	28,366
At 31 December 2008	—	26,511	26,511

8 Debtors

	2009 £	2008 £
Trade debtors	459,606	635,900
Amounts owed by group undertakings		
Kaiser + Kraft Europa GmbH	—	125,014
Prepayments	102,363	215,664
Other debtors	61,465	—
	623,434	976,578

Notes to the financial statements 31 December 2009

9 Creditors: amounts falling due within one year

	2009 £	2008 £
Trade creditors	103,942	87,381
Bank overdraft	45,898	51,889
Amounts owed to group undertakings		
Kaiser + Kraft Europa GmbH	309,947	355,030
Kaiser + Kraft GmbH	71	308
Gaerner GmbH	269	333
Social security and other taxes	100,940	154,492
Other creditors	9,000	33,375
Corporation tax	—	15,508
Accruals	45,608	38,417
	615,675	736,733

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

10 Deferred taxation

	2009 Amount provided £	2009 Amount unprovided £	2008 Amount provided £	2008 Amount unprovided £
Short term timing differences (asset)	—	—	—	(525)
Accelerated capital allowances (asset)	—	(7,343)	—	(11,375)
Losses carried forward	—	(24,084)	—	—
	—	(31,427)	—	(11,900)

11 Called up share capital

	Allotted called up and fully paid	
	2009	2008
	£	£
17 333 Ordinary shares of £1 each	17,333	17,333

12 Share premium account

	2009 £	2008 £
At 1 January 2009 and 31 December 2009	98,467	98,467

Notes to the financial statements 31 December 2009

13 Profit and loss account

	2009 £	2008 £
At 1 January 2009	158,424	299,453
(Loss)/profit on ordinary activities after taxation	(224,037)	158,971
Interim dividend paid (£nil per share 2008 - £17.31 per share)	—	(300,000)
At 31 December 2009	(65,613)	158,424

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 £7,593 (2008 - £9,873).

15 Leasing commitments

Operating leases

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2009 £	2008 £
Operating leases which expire		
Within one year	—	28,938
Within one to two years	—	—
Within two to five years	20,000	—

16 Reconciliation of movements in shareholder's funds

	2009 £	2008 £
Equity Funds		
Profit for the financial year after taxation	(224,037)	158,971
Interim dividend paid	—	(300,000)
Net (reduction in) addition to shareholder's funds	(224,037)	(141,029)
Opening shareholder's funds at 1 January 2009	274,224	415,253
Closing shareholder's funds at 31 December 2009	50,187	274,224

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".

18 Immediate and ultimate parent company and control

The immediate parent company in the two years ended 31 December 2009 was Kaiser + Kraft Europa GmbH, a company incorporated in Germany.

The ultimate parent company in the two years ended 31 December 2009 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.

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