

AMENDING

Peter Hahn Limited
Annual Report
Year Ended 30 September 2011

Company Registration Number 03341321

WEDNESDAY



A25 *A11SWMGJ* #255
01/02/2012
COMPANIES HOUSE

Peter Hahn Limited

Financial Statements

Year Ended 30 September 2011

Contents	Page
The Directors' Report	1
Statement of Directors' Responsibilities	3
Independent Auditor's Report to the Shareholders	4
Profit and Loss Account	6
Balance Sheet	7
Notes and Accounting Policies	8
The following pages do not form part of the financial statements	
Detailed Profit and Loss Account	14
Notes to the Detailed Profit and Loss Account	15

Peter Hahn Limited

The Directors' Report

Year Ended 30 September 2011

The directors present their report and the financial statements of the company for the year ended 30 September 2011

Principal Activities and Business Review

The company is engaged in the mail order business and distributes goods in England, especially textiles made by the parent company, Peter Hahn GmbH of Winterbach in Germany. Returns processing, warehousing and accounting are handled centrally in Winterbach.

Despite the difficult economic environment the company was able to continue the positive development of the business. Net sales were increased by 14.3%, the company was also able to improve the cost of goods of the core business (excluding the effects of the adjustment in transfer prices).

The considerable increase in sales achieved this year is both due to investments in new customers and to the steadily increasing number of established customers. Due to the increasing share of established customers, we were able to reduce the advertising cost ratio in spite of these investments.

These advertising investments enabled us to continue to increase the number of active established customers and thereby also ensure the development of sales in the medium term.

The company recorded a profit before tax during the year of £123k (versus a loss of £393k in the previous year) and the company's financial situation may be described as secure.

The risk of irrecoverable debts (creditworthiness risk) must be considered a major operational risk to the company, that is hedged by the debtors risk management system implemented in the parent company and the payments methods in the company's standard terms and conditions that are used. Improvements are constantly made and a monitoring programme is carried out in the area of these risks.

The company has no derivative financial instruments.

As in previous years the company had one UK based employee during the reporting year who was responsible for sales and marketing.

The company has no branches.

The company's net assets increased by £88k to £375k (£287k in the previous year). This increase is due essentially to the intercompany loan becoming a debtor balance in 2011 as it was a creditor in 2010.

Increasing sales and a higher market penetration are anticipated in the following financial years due to continued high advertising investments in new customers.

No developments occurred at the time the annual financial statements were adopted that would materially affect the picture of the business situation presented here.

Results and Dividends

The profit for the year, after taxation, amounted to £88,273. The directors have not recommended a dividend.

Financial Risk Management Objectives and Policies

The company's main operating risk is the debtor default risk. This is managed through debtor risk management implemented by the parent company and through the payment methods applied in the General Terms and Conditions. Within the framework of these risks, improvements are constantly being made along with scheduled monitoring of debt levels.

Peter Hahn Limited

The Directors' Report *(continued)*

Year Ended 30 September 2011

Directors

The directors who served the company during the year were as follows

Mr R Allgeyer

Mr S Barth

Ms M Ways

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company

Ms M Ways was appointed as a director on 31 January 2011

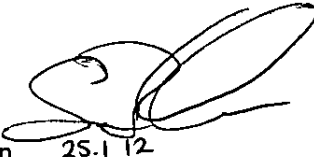
Mr R Allgeyer resigned as a director on 31 January 2011

Auditor

Francis Clark LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Signed on behalf of the directors

Mr S Barth
Director
Approved on 25.1.12



Peter Hahn Limited

Statement of Directors' Responsibilities

Year Ended 30 September 2011

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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Peter Hahn Limited

Independent Auditor's Report to the Shareholders of Peter Hahn Limited

Year Ended 30 September 2011

We have audited the financial statements of Peter Hahn Limited for the year ended 30 September 2011 which comprise the Profit and Loss Account, Balance Sheet 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 shareholders, 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 shareholders 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 shareholders 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 set out on page 3, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Peter Hahn Limited

Independent Auditor's Report to the Shareholders of Peter Hahn Limited *(continued)*

Year Ended 30 September 2011

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 30 September 2011 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 Matters 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

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 financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report



CHARLES EVANS (Senior Statutory Auditor)
For and on behalf of
FRANCIS CLARK LLP
Chartered Accountants & Statutory Auditor

North Quay House
Sutton Harbour
PLYMOUTH
PL4 0RA

31/1/12

Peter Hahn Limited

Profit and Loss Account

Year Ended 30 September 2011

	Note	2011 £	2010 £
Turnover	2	7,804,748	6,829,554
Cost of sales		7,254,981	7,011,955
Gross Profit/(Loss)		549,767	(182,401)
Administrative expenses		431,891	199,320
Operating Profit/(Loss)	3	117,876	(381,721)
Interest receivable	5	4,725	—
Interest payable and similar charges	6	—	(11,684)
Profit/(Loss) on Ordinary Activities Before Taxation		122,601	(393,405)
Tax on profit/(loss) on ordinary activities	7	34,328	(110,357)
Profit/(Loss) for the Financial Year		88,273	(283,048)

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 8 to 12 form part of these financial statements.

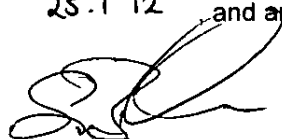
Peter Hahn Limited

Balance Sheet

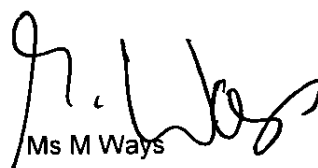
30 September 2011

	Note	2011 £	2010 £
Fixed Assets			
Tangible assets	8	<u>1</u>	<u>1</u>
Current Assets			
Stocks	9	2,420	760
Debtors	10	841,182	892,832
Cash at bank		143,407	268,227
		<u>987,009</u>	<u>1,161,819</u>
Creditors: Amounts falling due within one year	12	<u>469,637</u>	<u>745,720</u>
Net Current Assets		<u>517,372</u>	<u>416,099</u>
Total Assets Less Current Liabilities		<u>517,373</u>	<u>416,100</u>
Provisions for Liabilities			
Other provisions	13	142,000	129,000
		<u>375,373</u>	<u>287,100</u>
Capital and Reserves			
Called-up equity share capital	15	170,000	170,000
Other reserves	16	1,528,600	1,528,600
Profit and loss account	17	(1,323,227)	(1,411,500)
Shareholders' Funds	18	<u>375,373</u>	<u>287,100</u>

These financial statements were approved by the directors and authorised for issue on 25.1.12 and are signed on their behalf by



Mr S Barth



Ms M Ways

Company Registration Number 03341321

The notes on pages 8 to 12 form part of these financial statements.

Peter Hahn Limited

Notes and Accounting Policies

Year Ended 30 September 2011

1. Accounting Policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention

(b) Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

(c) Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

(d) Fixed assets

All fixed assets are initially recorded at cost

(e) Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Equipment - 25% straight line

(f) Stocks

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

(g) Operating lease agreements

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

(h) Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as required by the FRSSE

(i) Foreign currencies

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

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

	2011 £	2010 £
United Kingdom	<u>7,804,748</u>	<u>6,829,554</u>

Peter Hahn Limited

Notes and Accounting Policies

Year Ended 30 September 2011

3. Operating Profit/(Loss)

Operating profit/(loss) is stated after charging/(crediting)

	2011 £	2010 £
Directors' remuneration	—	—
Depreciation of owned fixed assets	—	605
Auditor's remuneration		
- audit fees	10,925	6,500
- accountancy fees	2,600	1,000
Operating lease costs		
- Other	15,192	15,312
Net profit on foreign currency translation	<u>(4,312)</u>	<u>(265,639)</u>

4. Particulars of Employees

The average number of staff employed by the company during the financial year amounted to

	2011 No	2010 No
Number of administrative staff	<u>1</u>	<u>1</u>

The aggregate payroll costs of the above were

	2011 £	2010 £
Wages and salaries	49,357	52,895
Social security costs	7,954	8,123
	<u>57,311</u>	<u>61,018</u>

5. Interest Receivable

	2011 £	2010 £
Interest from group undertakings	<u>4,725</u>	<u>—</u>

6. Interest Payable and Similar Charges

	2011 £	2010 £
Other similar charges payable	<u>—</u>	<u>11,684</u>

Peter Hahn Limited

Notes and Accounting Policies

Year Ended 30 September 2011

7. Taxation on Ordinary Activities

Analysis of charge in the year

	2011 £	2010 £
Deferred tax		
Origination and reversal of timing differences (note 11)		
Capital allowances	59	(298)
Losses	34,269	(110,059)
Total deferred tax (note 11)	<u>34,328</u>	<u>(110,357)</u>

8. Tangible Fixed Assets

	Equipment £
Cost	
At 1 October 2010 and 30 September 2011	<u>2,647</u>
Depreciation	
At 1 October 2010 and 30 September 2011	<u>2,646</u>
Net Book Value	
At 30 September 2011	<u>1</u>
At 30 September 2010	<u>1</u>

9. Stocks

	2011 £	2010 £
Stock	<u>2,420</u>	<u>760</u>

10 Debtors

	2011 £	2010 £
Trade debtors	139,944	217,744
Amounts owed by group undertakings	71,623	—
Other debtors	3,182	8,509
Prepayments and accrued income	111,922	117,740
Deferred taxation (note 11)	514,511	548,839
	<u>841,182</u>	<u>892,832</u>

Peter Hahn Limited

Notes and Accounting Policies

Year Ended 30 September 2011

11. Deferred Taxation

The deferred tax included in the Balance sheet is as follows

	2011 £	2010 £
Included in debtors (note 10)	<u>514,511</u>	<u>548,839</u>

The movement in the deferred taxation account during the year was

	2011 £	2010 £
Balance brought forward	548,839	438,482
Profit and loss account movement arising during the year	(34,328)	110,357
Balance carried forward	<u>514,511</u>	<u>548,839</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2011 £	2010 £
Excess of depreciation over taxation allowances	239	298
Tax losses available	<u>514,272</u>	<u>548,541</u>
	<u>514,511</u>	<u>548,839</u>

12. Creditors: Amounts falling due within one year

	2011 £	2010 £
Payments due to customers for returns	79,067	101,228
Trade creditors	54,287	76,584
Amounts owed to group undertakings	–	215,550
PAYE and social security	1,324	1,287
VAT	107,059	113,571
Accruals and deferred income	<u>227,900</u>	<u>237,500</u>
	<u>469,637</u>	<u>745,720</u>

13. Other Provisions

	2011 £
Other provisions:	
Balance brought forward	129,000
Movement for year	<u>13,000</u>
	<u>142,000</u>

Peter Hahn Limited

Notes and Accounting Policies

Year Ended 30 September 2011

14. Related Party Transactions

At 30 September 2011 Peter Hahn GmbH owed the company £71,623. In 2010 the company owed Peter Hahn GmbH £215,550. Interest is charged on the outstanding balance and in the year to 30 September 2011 this amounted to £4,725 receivable. In 2010 the company paid interest of £11,684 to Peter Hahn GmbH.

During the year the company purchased goods for resale amounting to £2,642,666 (2010 - £2,444,151), services of £143,266 (2010 - £132,832) and distribution and despatch costs of £253,132 (2010 - £240,753) from Peter Hahn GmbH. The company was charged £5,211 for bookkeeping services provided by Peter Hahn GmbH (2010 £5,506). The company was also charged £33,018 (2010 - £21,410) for a variety of sundry costs which are paid for centrally by Peter Hahn GmbH to the company. Additionally Peter Hahn GmbH paid for marketing and catalogue costs of £1,888,459 (2010 - £1,778,383) which is done centrally for the group.

15. Share Capital

Allotted, called up and fully paid:

	2011 No	£	2010 No	£
170,000 Ordinary shares of £1 each	<u>170,000</u>	<u>170,000</u>	<u>170,000</u>	<u>170,000</u>

16. Other Reserves

	2011 £	2010 £
Other reserves	<u>1,528,600</u>	<u>1,528,600</u>

In the year ended 30 September 2008, the company received a gift of £1,528,600 from Peter Hahn GmbH. This has been treated as a capital contribution and recorded directly in reserves in accordance with accounting standards.

17. Profit and Loss Account

	2011 £	2010 £
Balance brought forward	(1,411,500)	(1,128,452)
Profit/(loss) for the financial year	<u>88,273</u>	<u>(283,048)</u>
Balance carried forward	<u>(1,323,227)</u>	<u>(1,411,500)</u>

18. Reconciliation of Movements in Shareholders' Funds

	2011 £	2010 £
Profit/(Loss) for the financial year	<u>88,273</u>	<u>(283,048)</u>
Opening shareholders' funds	<u>287,100</u>	<u>570,148</u>
Closing shareholders' funds	<u>375,373</u>	<u>287,100</u>

19. Ultimate Parent Company

The company is a wholly owned subsidiary of Peter Hahn Beteiligungs GmbH, a company registered in Germany. The ultimate parent companies is Tristyle Mode GmbH & Co. KG which is a company also registered in Germany.