

Report of the Director and  
Financial Statements for the Year Ended 31 December 2012  
for  
ADD Mikkelsen UK Limited



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Associated with RSM

Authorised in the UK by the Institute of Chartered Accountants in England and Wales to carry on audit

Associated offices in

LONDON

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for the Year Ended 31 December 2012

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ADD Mikkelsen UK Limited

Company Information  
for the Year Ended 31 December 2012

**DIRECTOR:**

K Mikkelsen

**REGISTERED OFFICE:**

823 Salisbury House  
29 Finsbury Circus  
London  
EC2M 5QQ

**REGISTERED NUMBER:**

04032278 (England and Wales)

**AUDITORS:**

Krogh & Partners Limited, (Statutory Auditor)  
823 Salisbury House  
29 Finsbury Circus  
London  
EC2M 5QQ

Report of the Director  
for the Year Ended 31 December 2012

The Director presents his report and financial statements for the year ended 31 December 2012

**PRINCIPAL ACTIVITY**

The principal activity of the Company has been production and sale of clothes and accessories

**REVIEW OF BUSINESS**

The results for the year and the financial position at the year end, were considered satisfactory by the director

**DIVIDENDS**

The Director does not recommend the payment of a dividend

**DIRECTOR**

The Director who served the company throughout the year was as follows

Keld Mikkelsen

**RESULTS**

The company's loss for the year amounted to GBP 453,437

**POST BALANCE SHEET EVENTS**

No post balance sheet events have occurred since 31 December 2012 which requires reporting or disclosing in the accounts

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

**STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS**

The director of the company who held office at the date of approval of this Annual Report as set out beneath confirms that

- So far as he is aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- He has taken all the steps that he ought to have taken as 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

ADD Mikkelsen UK Limited

Report of the Director  
for the Year Ended 31 December 2012

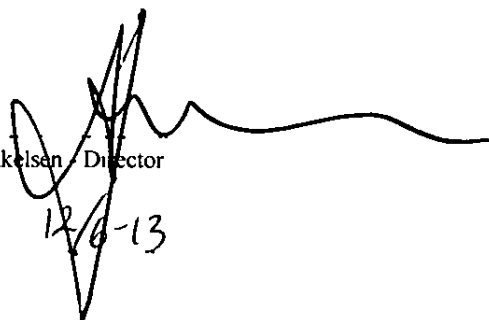
**AUDITORS**

Krogh & Partners Limited, Chartered Accountants & Registered Auditors have signified their willingness to continue in office. A resolution to re-appoint them will be proposed at the Annual General Meeting.

**ON BEHALF OF THE BOARD:**

K Mikkelsen, Director

Date



12/6-13

Report of the Independent Auditors to the Members of  
ADD Mikkelsen UK Limited

We have audited the financial statements of ADD Mikkelsen UK Limited for the year ended 31 December 2012 on pages five to eleven. 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 a Report of the Auditors 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 director and auditors**

As explained more fully in the Statement of Director's Responsibilities set out on page two, the director is 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**

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 the director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Director 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.

**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 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.

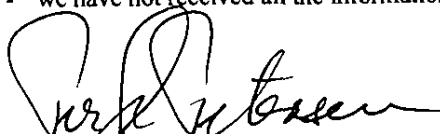
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Director 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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Per Krogh Petersen (Senior Statutory Auditor)  
for and on behalf of Krogh & Partners Limited, (Statutory Auditor)  
823 Salisbury House  
29 Finsbury Circus  
London  
EC2M 5QQ

Date

12/6-2013

Profit and Loss Account  
for the Year Ended 31 December 2012

	Notes	31 12 12 £	31 12 11 £
<b>TURNOVER</b>	2	3,158,288	3,575,522
Cost of sales		928,963	811,435
<b>GROSS PROFIT</b>		2,229,325	2,764,087
Administrative expenses		2,365,877	2,714,531
<b>OPERATING (LOSS)/PROFIT</b>	5	(136,552)	49,556
Interest payable and similar charges	6	6,885	190
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(143,437)	49,366
Tax on (loss)/profit on ordinary activities	7	310,000	40,000
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		(453,437)	9,366

**CONTINUING OPERATIONS**

All items dealt with in arriving at the loss on ordinary activities before taxation relate to continuing activities

There is no difference between the loss on ordinary activities before taxation and the loss for the year stated above and their historical cost equivalents

The accompanying accounting policies and notes form an integral part of these financial statements

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year

ADD Mikkelsen UK Limited

Balance Sheet

31 December 2012

	Notes	31 12 12 £	£	31 12 11 £	£
<b>FIXED ASSETS</b>					
Tangible assets	8		50,192		104,915
<b>CURRENT ASSETS</b>					
Stocks	9	249,801		455,042	
Debtors	10	451,169		903,472	
Cash at bank		178,739		49,802	
		<u>879,709</u>		<u>1,408,316</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	11	290,935		420,828	
		<u>290,935</u>		<u>420,828</u>	
<b>NET CURRENT ASSETS</b>			<u>588,774</u>		<u>987,488</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>638,966</u>		<u>1,092,403</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12	2,040,936		2,040,936	
Profit and loss account	13	(1,401,970)		(948,533)	
		<u>638,966</u>		<u>1,092,403</u>	
<b>SHAREHOLDERS' FUNDS</b>	14		<u>638,966</u>		<u>1,092,403</u>

The financial statements were approved by the director on

  
K. Mikkelsen - Director

12/6-13 and were signed by

The notes form part of these financial statements



Notes to the Financial Statements  
for the Year Ended 31 December 2012

**1 ACCOUNTING POLICIES**

**Accounting basis and standards**

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A Summary of the more important accounting policies, which have been applied consistently, is set out below.

**Accounting convention**

The financial statements have been prepared under the historical cost convention.

**Turnover**

Turnover derives from the principal activity of the Company and is represented by invoiced sales excluding Value Added Tax.

**Tangible assets**

Tangible assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided at the following annual rates over the expected useful lives of the assets:

Computer equipment	40%
Fixtures and fittings	33 33%

**Stocks**

Stocks are valued at the lower of cost and net realisable value, having considered the age and condition of the stocks and level of specification. Provision is made as appropriate for any stock lines that are believed to be slow moving or obsolete.

**Deferred tax**

Provision is made for deferred taxation, using the liability method, in respect of all timing differences that have originated but not reversed by the balance sheet date, except where these are permanent differences.

Deferred taxation is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

**Foreign currencies**

Transactions in foreign currencies are recorded using a fixed rate of exchange. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. Gains or losses on translation are included in the profit and loss account.

**Interest and similar income and charges**

Interest and similar income and charges are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

**Debtors**

Debtors are valued individually and there are made provision according to this valuation.

**Creditors**

Creditors are carried at payment or settlement amounts. Where the time value of money is material, creditors are carried at amortised cost.

**2 TURNOVER**

Turnover is attributable to the one principal activity of the company which arose wholly in the United Kingdom.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2012

**3 EMPLOYEE INFORMATION**

The average number of persons employed by the company (including directors) during the year was

	31 12 12	31 12 11
Selling and distribution	39	47
administration	3	1
	<u>42</u>	<u>48</u>

Their total remuneration was

Wages and salaries	884,642	980,552
Social security costs	69,251	83,224
	<u>953,893</u>	<u>1,063,776</u>

**4 DIRECTORS' EMOLUMENTS**

	31 12 12 £	31 12 11 £
Director's remuneration	<u>-</u>	<u>-</u>

**5 OPERATING (LOSS)/PROFIT**

The operating loss (2011 - operating profit) is stated after charging

	31 12 12 £	31 12 11 £
Depreciation - owned assets	58,538	84,242
Auditors' remuneration	<u>8,000</u>	<u>8,000</u>

**6 INTEREST PAYABLE AND SIMILAR CHARGES**

	31 12 12 £	31 12 11 £
Interest payable	5,485	4
Loans owed to parent company	1,400	186
	<u>6,885</u>	<u>190</u>

**7 TAXATION**

Analysis of the tax charge

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

	31 12 12 £	31 12 11 £
Deferred tax		
Reduction as a result of changed Corporation Tax Rate	0	25,000
Adjustment regarding prior year	310,000	0
Change in deferred tax	<u>0</u>	<u>15,000</u>
	<u>310,000</u>	<u>40,000</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2012

**8 TANGIBLE FIXED ASSETS**

	Tangible assets £
<b>COST</b>	
At 1 January 2012	448,367
Additions	4,577
Disposals	(182,357)
	<hr/>
At 31 December 2012	270,587
	<hr/>
<b>DEPRECIATION</b>	
At 1 January 2012	343,452
Charge for year	58,538
Eliminated on disposal	(181,595)
	<hr/>
At 31 December 2012	220,395
	<hr/>
<b>NET BOOK VALUE</b>	
At 31 December 2012	50,192
	<hr/>
At 31 December 2011	104,915
	<hr/>

**9 STOCKS**

	31 12 12 £	31 12 11 £
Stocks	249,801	455,042
	<hr/>	<hr/>

**10 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 12 12 £	31 12 11 £
Trade debtors	445,893	569,820
Other debtors	887	887
Deferred tax asset	-	310,000
Prepayments	4,389	22,765
	<hr/>	<hr/>
	451,169	903,472
	<hr/>	<hr/>

**11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 12 12 £	31 12 11 £
Trade creditors	443	2,148
Current account parent company	74,934	144,132
PAYE	15,151	22,384
VAT	81,109	114,408
Other creditors	119,298	137,756
	<hr/>	<hr/>
	290,935	420,828
	<hr/>	<hr/>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2012

**12 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid Number	Class	Nominal value	31 12 12 £	31 12 11 £
2,040,936	Ordinary	1	<u>2,040,936</u>	<u>2,040,936</u>

**13 RESERVES**

	Profit and loss account £
At 1 January 2012	(948,533)
Deficit for the year	<u>(453,437)</u>
At 31 December 2012	<u><u>(1,401,970)</u></u>

**14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31 12 12 £	31 12 11 £
(Loss)/profit for the financial year	<u>(453,437)</u>	<u>9,366</u>
Net (reduction)/addition to shareholders' funds	<u>(453,437)</u>	<u>9,366</u>
Opening shareholders' funds	<u>1,092,403</u>	<u>1,083,037</u>
Closing shareholders' funds	<u><u>638,966</u></u>	<u><u>1,092,403</u></u>

**15 FUTURE FINANCIAL COMMITMENTS**

Operating leases

At 31 December 2012 the company had annual commitments under operating leases as set out below

	Land and buildings	Land and buildings
	31 12 12 £	31 12 11 £
Operating leases which expire within on year	-	56,250
in the second to fifth year	40,000	-
after five years	-	-
	<u>40,000</u>	<u>56,250</u>

**16 CONTINGENT LIABILITIES**

At 31 December 2012 the Company had contingent liabilities relating to concession agreements amounting to GBP 297K (2011 GBP 323K)

**17 PARENT UNDERTAKINGS AND RELATED PARTY TRANSACTIONS**

Under FRS8 the company is exempt from disclosing transactions and balances with other group companies, as it is 100% owned by the group and its results are included in the group accounts

ADD Mikkelsen A/S is the parent of the smallest and largest group of which the company is a member and for which group accounts are drawn up

A copy of ADD Mikkelsen A/S group accounts can be obtained from

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Denmark