

Company Registration No. 02740285 (England and Wales)

HOWARD HUNT DIRECT LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2015

HOWARD HUNT DIRECT LIMITED

COMPANY INFORMATION

Directors	Mr L M Pigott Mr M A Pigott
Secretary	Mr L M Pigott
Company number	02740285
Registered office	Crown House 151 High Road Loughton Essex IG10 4LG
Auditors	Alwyns LLP Crown House 151 High Road Loughton Essex IG10 4LG

HOWARD HUNT DIRECT LIMITED

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HOWARD HUNT DIRECT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2015

The directors present the strategic report and financial statements for the year ended 30 September 2015.

Review of the business

The principal activity of the company continued to be that of direct marketing printing. The results for the year and the financial position at the year end were in line with the expectations of the directors who are confident the company will continue to be profitable in the current year.

A review of the group results of which the company is a member is included in the Strategic Report of its parent company, Howard Hunt (City) Limited.

Principal risks

The directors continually monitor key risks facing the company with a view to managing these risks. The principal risks and uncertainties currently facing the company are similar to those of the group which are economic downturn, competitor pressure leading to a reduction in both sales and margin and loss of key personnel.

On behalf of the board

Mr L M Pigott

Director

29 June 2016

HOWARD HUNT DIRECT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2015

The directors present their report and financial statements for the year ended 30 September 2015.

Results and dividends

The results for the year are set out on page 6.

Directors

The following directors have held office since 1 October 2014:

Mr L M Pigott

Mr M A Pigott

Mr C E Shaylor (Resigned 31 October 2014)

Financial instruments

The company's financial instruments are principally those directly arising from operations such as trade debtors and trade creditors.

Liquidity risk

The management of the company's cash and borrowing requirements is undertaken with its parent company in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk

The company is not significantly exposed to interest rate risk.

Credit risk

Investments in cash surpluses and borrowings are made through banks which must fulfil credit rating criteria approved by the Board.

The company obtains credit references for any significant new customers and stipulates strict payment terms. The directors regularly review trade debtors and pursue any outstanding debts on a timely basis. Where necessary, provisions are made for doubtful debts.

Auditors

Alwyns LLP will continue in office in accordance with the Companies Act 2006, s487 (2).

HOWARD HUNT DIRECT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 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.

Statement of disclosure to auditors

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

Mr L M Pigott

Director

29 June 2016

HOWARD HUNT DIRECT LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HOWARD HUNT DIRECT LIMITED

We have audited the financial statements of Howard Hunt Direct Limited for the year ended 30 September 2015 set out on pages 6 to 17. 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 sections 495 and 496 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 auditors' 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 auditors

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 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 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 30 September 2015 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

HOWARD HUNT DIRECT LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF HOWARD HUNT DIRECT LIMITED

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.

David Stanley (Senior Statutory Auditor)
for and on behalf of Alwyns LLP

29 June 2016

Chartered Accountants
Statutory Auditor

Crown House
151 High Road
Loughton
Essex
IG10 4LG

HOWARD HUNT DIRECT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Notes	2015 £'000	2014 £'000
Turnover	2	4,516	5,410
Cost of sales		(3,078)	(3,994)
Gross profit		1,438	1,416
Administrative expenses		(1,372)	(1,361)
Operating profit	3	66	55
Interest payable and similar charges	4	(12)	(9)
Profit on ordinary activities before taxation		54	46
Tax on profit on ordinary activities	5	15	(27)
Profit for the year	13	69	19

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

HOWARD HUNT DIRECT LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2015

		2015		2014	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	6		600		657
Current assets					
Stocks	7	343		292	
Debtors	8	1,624		1,127	
		<u>1,967</u>		<u>1,419</u>	
Creditors: amounts falling due within one year	9	<u>(1,891)</u>		<u>(1,449)</u>	
Net current assets/(liabilities)			76		(30)
Total assets less current liabilities			<u>676</u>		<u>627</u>
Provisions for liabilities	10		(63)		(83)
			<u>613</u>		<u>544</u>
Capital and reserves					
Called up share capital	12		-		-
Profit and loss account	13		613		544
Shareholders' funds	14		<u>613</u>		<u>544</u>

Approved by the Board and authorised for issue on 29 June 2016

Mr L M Pigott
Director

Company Registration No. 02740285

HOWARD HUNT DIRECT LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2015

	£'000	2015 £'000	£'000	2014 £'000
Net cash (outflow)/inflow from operating activities		(694)		44
Returns on investments and servicing of finance				
Interest paid	(12)		(9)	
Net cash outflow for returns on investments and servicing of finance		(12)		(9)
Taxation		(67)		(31)
Capital expenditure				
Payments to acquire tangible assets	(60)		(155)	
Net cash outflow for capital expenditure		(60)		(155)
Net cash outflow before management of liquid resources and financing		(833)		(151)
Repayment of loan	-		(5)	
Net cash outflow from financing		-		(5)
Decrease in cash in the year		(833)		(156)

HOWARD HUNT DIRECT LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2015

1 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities		2015	2014
		£'000	£'000
Operating profit		66	55
Depreciation of tangible assets		117	121
Increase in stocks		(51)	(5)
(Increase)/decrease in debtors		(488)	808
Decrease in creditors within one year		(338)	(935)
Net cash (outflow)/inflow from operating activities		(694)	44
2 Analysis of net debt		1 October 2014	Cash flowOther non-cash 30 September
		£'000	£'000
Net cash:			
Bank overdrafts		(166)	(833)
Net debt		(166)	(833)
3 Reconciliation of net cash flow to movement in net debt		2015	2014
		£'000	£'000
Decrease in cash in the year		(833)	(156)
Cash (inflow)/outflow from (increase)/decrease in debt		-	5
Movement in net debt in the year		(833)	(151)
Opening net debt		(166)	(15)
Closing net debt		(999)	(166)

HOWARD HUNT DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	over the lease term
Plant and machinery	over 2 to 10 years
Fixtures, fittings & equipment	over 4 to 10 years

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. Work in progress includes the appropriate proportion of production overheads.

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has been discounted.

1.9 Liquid resources

Liquid resources for the purpose of preparing the cash flow statement includes cash at bank and in hand.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

HOWARD HUNT DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

3	Operating profit	2015	2014
		£'000	£'000
	Operating profit is stated after charging:		
	Depreciation of tangible assets	117	122
	Auditors' remuneration (including expenses and benefits in kind)	4	4
	Directors' remuneration	-	-
		<u> </u>	<u> </u>

No directors accrued any pension benefits from pension contributions made by the company.

4	Interest payable	2015	2014
		£'000	£'000
	On bank loans and overdrafts	3	9
	Other interest	9	-
		<u> </u>	<u> </u>
		<u> </u>	<u> </u>

HOWARD HUNT DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

5	Taxation	2015 £'000	2014 £'000
	Domestic current year tax		
	U.K. corporation tax	24	25
	Adjustment for prior years	(19)	-
	Total current tax	<u>5</u>	<u>25</u>
	Deferred tax		
	Origination and reversal of timing differences	(22)	2
	Movement in deferred tax discount	2	-
		<u>(20)</u>	<u>2</u>
		<u>(15)</u>	<u>27</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>54</u>	<u>46</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.50% (2014 - 22.00%)	<u>11</u>	<u>10</u>
	Effects of:		
	Non deductible expenses	3	1
	Capital allowances/depreciation timing differences	10	14
	Adjustments to previous periods	(19)	-
		<u>(6)</u>	<u>15</u>
	Current tax charge for the year	<u>5</u>	<u>25</u>

HOWARD HUNT DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

6 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 October 2014	344	2,773	324	3,441
Additions	4	45	11	60
	<u>348</u>	<u>2,818</u>	<u>335</u>	<u>3,501</u>
At 30 September 2015				
Depreciation				
At 1 October 2014	242	2,295	247	2,784
Charge for the year	18	82	17	117
	<u>260</u>	<u>2,377</u>	<u>264</u>	<u>2,901</u>
At 30 September 2015				
Net book value				
At 30 September 2015	88	441	71	600
	<u>102</u>	<u>478</u>	<u>77</u>	<u>657</u>
At 30 September 2014				

7 Stocks and work in progress

	2015 £'000	2014 £'000
Raw materials and consumables	123	218
Work in progress	220	74
	<u>343</u>	<u>292</u>

8 Debtors

	2015 £'000	2014 £'000
Trade debtors	757	461
Amounts owed by parent and fellow subsidiary undertakings	610	616
Corporation tax	9	-
Other debtors	204	18
Prepayments and accrued income	44	32
	<u>1,624</u>	<u>1,127</u>

HOWARD HUNT DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

9	Creditors: amounts falling due within one year	2015 £'000	2014 £'000
	Bank loans and overdrafts (see below)	999	166
	Trade creditors	514	815
	Corporation tax	44	97
	Other taxes and social security costs	276	312
	Other creditors	9	7
	Accruals and deferred income	49	52
		<u>1,891</u>	<u>1,449</u>

During the year the company, its parent and related entities obtained facilities from Santander UK Plc secured by fixed and floating charges and cross guarantees. The maximum facility under this arrangement at 30 September 2015 was £18,500,000.

10 Provisions for liabilities

The deferred tax liability is made up as follows:

	2015 £'000	2014 £'000
Accelerated capital allowances	65	87
	<u>65</u>	<u>87</u>
Discount	(2)	(4)
	<u>63</u>	<u>83</u>

11 Retirement Benefits

Defined contribution scheme

	2015 £'000	2014 £'000
Contributions payable by the company for the year	43	35
	<u>43</u>	<u>35</u>

At 30 September 2015 contributions of £10,000 (2014 - £9,000) were outstanding.

HOWARD HUNT DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

12	Share capital	2015	2014
		£'000	£'000
	Allotted, called up and fully paid		
	100 Ordinary shares of £1 each	-	-
		<u> </u>	<u> </u>
13	Statement of movements on profit and loss account		Profit and loss account £'000
	Balance at 1 October 2014		544
	Profit for the year		69
			<u> </u>
	Balance at 30 September 2015		613
			<u> </u>
14	Reconciliation of movements in Shareholders' funds	2015	2014
		£'000	£'000
	Profit for the financial year	69	16
	Opening Shareholders' funds	544	528
		<u> </u>	<u> </u>
	Closing Shareholders' funds	613	544
		<u> </u>	<u> </u>

HOWARD HUNT DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

15 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2015 Number	2014 Number
Directors	2	3
Administration	10	7
Operatives	94	97
	<u>106</u>	<u>107</u>

Employment costs

	2015 £'000	2014 £'000
Wages and salaries	2,151	2,029
Social security costs	185	174
Other pension costs	43	35
	<u>2,379</u>	<u>2,238</u>

16 Controlling party and parent undertaking

The company's immediate and ultimate parent undertaking in both the current and preceding year was Howard Hunt (City) Limited a company incorporated in the United Kingdom. The company's ultimate controlling party during the year was Mr M A Pigott by virtue of his ability to control Howard Hunt (City) Limited.

17 Related party relationships and transactions

During the year the company traded with its parent company, Howard Hunt (City) Limited.

The transactions were as follows:

	2015 £'000	2014 £'000
Sales	4,523	5,410
Purchases and re-charged expenses	113	218
Management fees payable	641	641
	<u>5,277</u>	<u>6,269</u>

At the year end the company was owed £1,361,000 (2014 - £1,009,000).

HOWARD HUNT DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

17 Related party relationships and transactions

(Continued)

The company also had transactions with Celerity Information Services Limited. A number of directors and shareholders of the parent company have interests in Celerity Information Services Limited.

	2015 £'000	2014 £'000
Sales	5	25
	<u> </u>	<u> </u>

At the year end £7,000 was owed by (2014 - £1,000) Celerity Information Services Limited.

The company also had transactions with Celerity Communications Limited, an entity controlled by a director of the company.

	2015 £'000	2014 £'000
Sales	4	105
	<u> </u>	<u> </u>

At the year end £5,000 (2014 - £1,000) was owed by Celerity Communications Limited.

The company also had transactions with Howard Hunt Mail Limited, an entity controlled by a director of the company.

	2015 £'000	2014 £'000
Sales	145	-
	<u> </u>	<u> </u>

At the year end £175,000 (2014 - £nil) was owed by Howard Hunt Mail Limited.

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