

Registered number 3941468

**SPECIALITY HOME SHOPPING (US)
LIMITED**

Annual Report and Financial Statements
for the 53 week period ended 3 March 2012

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SPECIALITY HOME SHOPPING (US) LIMITED

REPORT AND FINANCIAL STATEMENTS 2012

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SPECIALITY HOME SHOPPING (US) LIMITED

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report, for the 53 week period ended 3 March 2012

This Directors' Report has been prepared in accordance with the special provisions relating to small companies under section 417(1) of the Companies Act 2006 Accordingly no Enhanced Business Review has been prepared

Principal activities and business review

The principal activity of the company is that of retailing to customers in the US through direct home shopping The directors expect that the company will continue to act as a direct home shopping company for the foreseeable future

Going concern

The directors have received confirmation that N Brown Group plc, the company's ultimate holding company, will continue to provide the necessary level of support to enable it to continue to operate for the foreseeable future The group has considered carefully its cash flows for the next twelve months from the date of signing the audited financial statements These have been appraised in light of the uncertainty in the current economic climate As such, conservative assumptions for working capital performance have been used to determine the level of financial resources available to the group and to assess liquidity risk

The group's forecasts and projections, after sensitivity to take account of all reasonably foreseeable changes in trading performance, show that the group will have sufficient headroom within the group's current facilities After making appropriate enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in the preparation of the annual report and accounts

Results and dividends

Results and dividends are as follows

	£
Retained loss at 26 February 2011	(551,276)
Profit for the 53 week period	551,276
	<hr/>
Retained profit at 3 March 2012	-
	<hr/>

The directors are unable to recommend payment of a dividend (2011 same)

Directors

The directors who served during the period and thereafter are as shown below

J Hinchcliffe	Resigned 31 January 2012
D Moore	
A White	
K Risk	Resigned 30 November 2011
M Cheshire	
P Short	Resigned 1 October 2012
P Kendrick	
N McGowan	

The company secretary who served during the period and thereafter is as shown below

D M Cropper

SPECIALITY HOME SHOPPING (US) LIMITED

DIRECTORS' REPORT (continued)

Auditor

Each director at the date of approval of the report confirms that

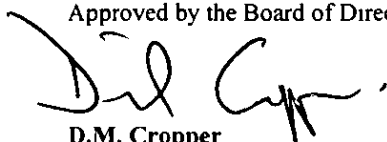
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and establish that the company's auditor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

This confirmation is given and should be interpreted in accordance with the provisions of s418A of the Companies Act 2006

The auditor, Deloitte LLP, has expressed their willingness to continue in office as auditor of the company

A resolution to re-appoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors and signed on behalf of the Board



D.M. Cropper
Company Secretary

Griffin House
40 Lever Street
Manchester M60 6ES

22 November 2012

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial period. 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 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 proper 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPECIALITY HOME SHOPPING (US) LIMITED

We have audited the financial statements of Speciality Home Shopping (US) Limited for the 53 week period ended 3 March 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 10. 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

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. 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 3 March 2012 and of its profit for the 53 week period 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.

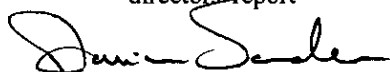
Opinion on other matter prescribed by the Companies Act 2006

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.

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.



Damian Sanders (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester
United Kingdom
22 November 2012

SPECIALITY HOME SHOPPING (US) LIMITED

PROFIT AND LOSS ACCOUNT

For the 53 week period ended 3 March 2012

	Notes	2012 £	2011 £
Turnover	3	4,865,181	780,773
Cost of sales		(1,889,570)	(229,997)
Gross profit		<u>2,975,611</u>	<u>550,776</u>
Distribution costs		(715,904)	(85,638)
Selling and administration costs		(5,664,793)	(1,016,414)
Loss on ordinary activities before tax	2	(3,405,086)	(551,276)
Tax on loss on ordinary activities	4	3,956,362	-
Profit/(loss) for the financial period	8,9	<u>551,276</u>	<u>(551,276)</u>

All income has arisen from continuing operations

The company has no recognised gains or losses other than the profit/(loss) for the current or prior financial period as shown above. Accordingly, no separate statement of total recognised gains and losses is presented. The accompanying notes are an integral part of this profit and loss account.

SPECIALITY HOME SHOPPING (US) LIMITED

BALANCE SHEET

At 3 March 2012

	Notes	2012 £	2011 £
Current assets			
Debtors	5	592,288	72,290
Cash at bank and in hand		191,848	460,461
		<u>784,136</u>	<u>532,751</u>
Creditors: Amounts falling due within one year	6	<u>(784,135)</u>	<u>(1,084,026)</u>
Net assets/(liabilities)		<u>1</u>	<u>(551,275)</u>
Capital and reserves			
Called-up share capital	7	1	1
Profit and loss account	8	-	(551,276)
		<u>1</u>	<u>(551,275)</u>
Shareholder's funds/(deficit)	9	<u>1</u>	<u>(551,275)</u>

The financial statements were approved by the Board of Directors on 22 November 2012 and signed on its behalf by



D. Moore
Director

The accompanying notes are an integral part of this balance sheet

Company Number 3941468

NOTES TO THE FINANCIAL STATEMENTS

For the 53 week period ended 3 March 2012

1 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies of the company are set out below

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. The company has taken the exemption available under FRS 1 (revised) 'Cash flow Statements' not to present a cash flow statement, as it is a wholly owned subsidiary of N Brown Group plc

Going concern

The directors have received confirmation that N Brown Group plc, the company's ultimate holding company, will continue to provide the necessary level of support to enable it to continue to operate for the foreseeable future. The group has considered carefully its cash flows for the next twelve months from the date of signing the audited financial statements. These have been appraised in light of the uncertainty in the current economic climate. As such, conservative assumptions for working capital performance have been used to determine the level of financial resources available to the group and to assess liquidity risk. Further details have been included in the Directors' Report.

Accounting period

Throughout the accounts, the notes to the accounts and the directors' report, reference to 2012 means 3 March 2012 or the 53 weeks then ended. Reference to 2011 means 26 February 2011 or the 52 weeks then ended.

Turnover

Turnover is stated net of VAT and trade discounts. Turnover from the sale of goods is recognised when the goods are despatched.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

2 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The company has no employees other than the directors, who received no remuneration from the company during the period. Fees paid to the company's auditor, Deloitte LLP and its associates for the audit of the company were £500 (2011 same), paid by a fellow group company. Fees paid for services other than the statutory audit of the company are not disclosed in the company's accounts since the consolidated accounts of the company's parent, N Brown Group plc, are required to disclose non-audit fees on a consolidated basis.

3 TURNOVER

All turnover and operating profit is generated from the principal activity of the company in the United States of America.

SPECIALITY HOME SHOPPING (US) LIMITED

NOTES TO FINANCIAL STATEMENTS (continued)

For the 53 week period ended 3 March 2012

4 TAXATION

The taxation credit is based on the loss on ordinary activities and comprises

	53 week period ended 3 March 2012 £	52 week period ended 26 February 2011 £
Corporation tax credit	(3,956,362)	-

The difference between the total current tax shown above and the amount calculated by applying the standard rate of corporation tax to the loss before tax is as follows

	53 week period ended 3 March 2012 £	52 week period ended 26 February 2011 £
Loss on ordinary activities before tax	(3,405,086)	(551,276)
Tax on loss on ordinary activities at UK corporation tax rate of 26 17% (2011 28%)	(891,111)	(154,357)
Surrender of group tax losses	891,111	154,357
Group relief received	(3,956,362)	-
Credit for the period	(3,956,362)	-

There is no unprovided deferred tax at the end of either period

5 DEBTORS

	2012 £	2011 £
Trade debtors	78,085	72,290
Amounts owed by group undertakings	514,203	-
	592,288	72,290

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Amounts owed to group undertakings	-	845,296
Accruals	553,582	151,385
Other creditors	230,553	87,345
	784,135	1,084,026

Amounts owed to group undertakings are interest-free, unsecured and have no fixed date for repayment

NOTES TO THE FINANCIAL STATEMENTS

For the 53 week period ended 3 March 2012

7 CALLED-UP SHARE CAPITAL

	2012 £	2011 £
<i>Authorised, allotted, called-up and fully-paid</i>		
1 ordinary shares of £1 each	<u>1</u>	<u>1</u>

8 RESERVES

	Profit and loss account £
At 26 February 2011	(551,276)
Profit for the period	<u>551,276</u>
At 3 March 2012	<u>-</u>

9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS/(DEFICIT)

	2012 £	2011 £
Shareholder's (deficit)/funds at the start of the period	(551,275)	1
Profit/(loss) for the period	<u>551,276</u>	<u>(551,276)</u>
Shareholder's funds/(deficit) at the end of the period	<u>1</u>	<u>(551,275)</u>

10 ULTIMATE PARENT UNDERTAKING

The directors regard N Brown Group plc, a company incorporated in Great Britain and registered in England and Wales, as the ultimate parent company and the ultimate controlling party

N Brown Group plc is the parent undertaking of the smallest and the largest group of which the company is a member and for which group financial statements are drawn up. Copies of these group financial statements are available from Griffin House, 40 Lever Street, Manchester, M60 6ES

As a subsidiary undertaking of N Brown Group plc, the company has taken advantage of the exemption of FRS8 "Related party disclosures" from disclosing transactions with other members of the group headed by N Brown Group plc