

WITT (UK) LIMITED

**DIRECTORS' REPORT
AND FINANCIAL STATEMENTS**

Registered Number 04408889

2 MARCH 2013



Directors' report

The directors present their directors' report and the audited financial statements for the 52 week period ended 2 March 2013

Witt (UK) Limited is registered with company number 04408889

Principal activities

The company traded as a catalogue home shopping business targeted mainly at the 60+ market within the UK. As part of the continued rationalisation of the group structure, the trade and net assets of the company were sold to the immediate parent company, Grattan plc, on 31 August 2012.

Business review

The profit for the financial period, after taxation, was £0.9m (2012: loss of £1.6m).

Going Concern

Following the sale of the trade and net assets, the company has become dormant with net assets of £1, being an intercompany receivable from Grattan plc.

Proposed dividend

The directors do not recommend the payment of a dividend (2012: £nil).

Directors

The directors who held office during the period were as follows:

N Moore
W Jess (resigned 25 April 2012)
S Merck (resigned 25 April 2012)
A Lord (appointed 25 April 2012)

During the period, liability insurance was maintained for the company's directors.

Interests of directors and secretary

The directors who held office at the period end had no interests in the shares of the company.

Political and charitable contributions

The company made no political or charitable donations, or incurred any political expenditure during the period (2012: £nil).

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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Directors' report (continued)

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board



N Moore
Director

May 9, 2013

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Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW

Independent auditor's report to the members of Witt (UK) Limited

We have audited the financial statements of Witt (UK) Limited for the period ended 2 March 2013 set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate

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 2 March 2013 and of its profit for the period then ended,
- have been properly prepared in accordance with UK 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 period 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:

Independent auditors' report to the members of Witt (UK) Limited (continued)

- 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



Jonathan Pass (Senior Statutory Auditor)
For and on behalf of
KPMG LLP
Statutory Auditor

Chartered Accountants
1 The Embankment
Leeds
West Yorkshire
LS1 4DW

13 May 2013

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Profit and loss account
for the period ended 2 March 2013

		52 week period ended 2 March 2013	53 week period ended 3 March 2012
	Note	£'000	£'000
Turnover	1	6,168	12,531
Cost of sales		(5,266)	(11,899)
Gross profit		902	632
Distribution costs		(919)	(1,495)
Administrative expenses		(803)	(1,565)
Other operating income	1	368	779
Operating loss		(452)	(1,649)
Profit on sale of trade and net assets	2b	1,318	-
Profit/(loss) on ordinary activities before taxation		866	(1,649)
Taxation on profit/loss on ordinary activities	5	-	-
Profit/(loss) for the financial period	11	866	(1,649)

All amounts relate to activities that were discontinued on 31 August 2012

The company has no recognised gains and losses other than those included in the profit/loss above and therefore no separate statement of total recognised gains and losses has been prepared

There is no difference between the profit/loss for the period on an unmodified historical cost basis and the profit/loss disclosed above

The notes on pages 9 to 13 form part of the financial statements

Witt (UK) Limited
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Balance sheet
at 2 March 2013

		2013	2012
	Note	£'000	£'000
Current assets			
Stock	6	-	370
Debtors	7	-	4,960
Creditors: amounts falling due within one year	8	-	(6,196)
Net current assets/(liabilities)		-	(866)
Capital and reserves			
Called up share capital	10	16,486	16,486
Profit and loss account	11	(16,486)	(17,352)
Shareholders' funds/(deficit)		-	(866)

The notes on pages 9 to 13 form part of these financial statements

These financial statements were approved by the board of directors on May 9, 2013, and were signed on its behalf by



N Moore
Director

Company number 04408889

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Reconciliation of Movements in Shareholders' Funds
For the period ended 2 March 2013

	52 week period ended 2 March 2013	53 week period ended 3 March 2012
	£'000	£'000
Profit/(loss) for the financial period	866	(1,649)
	<hr/>	<hr/>
Net addition to/(reduction in) shareholders' funds	866	(1,649)
Opening shareholders' (deficit)/funds	(866)	783
	<hr/>	<hr/>
Shareholders' funds/(deficit)	-	(866)
	<hr/>	<hr/>

Notes to the financial statements

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared under the historical cost accounting rules and in accordance with applicable Accounting Standards. The accounting period is for the 52 week period ended 2 March 2013. The comparative period being the 53 weeks ended 3 March 2012.

The company has made an operating loss of £0.5m in the period and had net assets of £nil at the period end.

Following the sale of the trade and net assets to its parent company, Grattan plc, the company has ceased to trade and become dormant.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that OTTO Aktiengesellschaft für Beteiligungen (the ultimate holding company) includes the company in its own published consolidated financial statements.

As 100% of the company's voting rights are controlled within the group headed by OTTO Aktiengesellschaft für Beteiligungen, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of OTTO Aktiengesellschaft für Beteiligungen, within which this company is included, can be obtained from the address given in note 12.

Turnover

Turnover represents the value of goods sold net of VAT and customer account related deductions. Turnover is recognised on a net despatch basis and provision made for expected returns.

Other operating income

Other operating income includes interest income earned on interest bearing instalment sales. Interest income is recognised in the profit and loss account over the period in which it is earned.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

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 otherwise required by FRS 19.

Notes to the financial statements (continued)

1. Accounting policies (continued)

Stock

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

2 Notes to the profit and loss account

2a	52 weeks ended 2 March 2013 £'000	53 weeks ended 3 March 2012 £'000
Profit/(loss) on ordinary activities before taxation is stated after charging/(crediting)		
<i>Auditors' remuneration</i>		
Audit of these financial statements	-	8
Exchange losses	-	(110)
	<hr/>	<hr/>

The audit fees were borne by another group company in the year

2b		
Exceptional item – profit on sale of trade and net assets	1,318	-
	<hr/>	<hr/>

As part of the continued rationalisation of the group structure, the trade and net assets of the company were sold to the immediate parent company, Grattan plc, on 31 August 2012

3. Remuneration of Directors

The directors receive no payments in respect of services provided as directors of the company,
(2012 £nil)

4. Staff numbers and costs

All employees were employees of the parent company, Grattan plc, and details of their remuneration and pension arrangements are disclosed in the report of this company. A recharge of employee costs is made by the parent

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Notes to the financial statements (continued)

5 Taxation

Analysis of charge/ (credit) in period

	52 weeks ended 2 March 2013	53 weeks ended 3 March 2012
	£	£
<i>UK corporation tax</i>		
Current tax on loss for the period	-	-
Adjustment in respect of previous years	-	-
	<hr/>	<hr/>
Total current tax and tax on loss on ordinary activities	-	-
	<hr/>	<hr/>

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2012 *higher*) than the standard rate of corporation tax in the UK (24%, 2012 26%) The differences are explained below

	52 weeks ended 2 March 2013	53 weeks ended 3 March 2012
	£'000	£'000
<i>Current tax reconciliation</i>		
Profit/(loss) on ordinary activities before taxation	866	(1,649)
	<hr/>	<hr/>
Current tax at 24% (2012 26%)	208	(429)
<i>Effects of</i>		
Tax losses carried forward	108	428
Items disallowed for Corporation Tax	-	1
Income not taxable for tax purposes	(316)	-
	<hr/>	<hr/>
Total current tax (see above)	-	-
	<hr/>	<hr/>

6. Stock

	2013	2012
	£'000	£'000
Finished goods and goods for resale	-	370
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Notes to the financial statements (continued)

7 Debtors

	2013	2012
	£'000	£'000
Trade debtors	-	4,370
Prepayments	-	-
Amounts owed by immediate parent undertaking	-	590
	<hr/>	<hr/>
	-	4,960
	<hr/>	<hr/>

8. Creditors' amounts falling due within one year

	2013	2012
	£'000	£'000
Amounts due to immediate parent undertaking	-	4,610
Other taxation and social security	-	386
Accruals	-	1,200
	<hr/>	<hr/>
	-	6,196
	<hr/>	<hr/>

9. Deferred taxation

A deferred tax asset was not recognised in the prior year as it was not certain that the relevant timing differences would reverse in the foreseeable future. The potential tax asset was transferred with the other net assets on 31 August 2012. The full potential asset, at 23% (2012: 25%) was as follows:

	Potential asset 2013 £	Potential asset 2012 £
Accelerated capital allowances	-	49,346
Tax losses carried forward	-	4,192,610
	<hr/>	<hr/>
	-	4,241,956
	<hr/>	<hr/>

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Notes to the financial statements (continued)

10. Share Capital

	2013 No	Allotted, called up and fully paid 2012 No	2013 £	2012 £
Ordinary shares of €1 each	22,700,000	22,700,000	16,485,513	16,485,513

11. Reserves

	Profit & Loss Account 2013 £'000
At beginning of period	(17,352)
Profit for the period	866
At end of period	(16,486)

12. Ultimate Controlling Party

The immediate parent company is Grattan plc. The largest group in which the results of Witt (UK) Limited are consolidated is headed by OTTO Aktiengesellschaft fuer Beteiligungen, a company incorporated in Germany.

The consolidated accounts of the ultimate undertaking are available to the public and may be obtained from www.ebundesanzeiger.de