

Pumpkin Patch Europe Brands Limited

Annual report and financial statements for the year ended

31 July 2013

Company Number 07917591

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PUMPKIN PATCH EUROPE BRANDS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2013

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PUMPKIN PATCH EUROPE BRANDS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2013

The directors present their report and the audited financial statements of the company for the year ended 31 July 2013. This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Principal activities

The principal activity of the company is the wholesale of children's clothing and footwear.

Business review

The retail environment in general was challenging in the UK, and the profit on ordinary activities before taxation for the year of £32,633 (2012: Loss £36,153). The directors' are satisfied with the result for the year.

Future developments

The Board expects that revenue will grow in the coming years, and are confident that the company's international strategy and business operation will, in the long term, deliver positive results to shareholders.

Results and dividends

The results of the company show a profit after tax of £24,693 (2012: Loss £29,543) for the year and sales of £1,004,070 (2012: £336,563).

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

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

Neil Cowie	(Resigned 05 September 2013)
Matthew Washington	
Brian De Gregory	
Dominique De Give Benvenuto	
Di Humphries	(Appointed 22 August 2013)

PUMPKIN PATCH EUROPE BRANDS LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2013 (CONTINUED)

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the year Directors' and officers' liability insurance in respect of itself and its Directors.

The Directors' and officers' liability insurance was paid by the parent Pumpkin Patch Limited in 2013 and the cost was £6,691 (2012: £6,644)

Going concern

As at 31 July 2013 the Company has a deficiency of capital and reserves of £4,750 (2012: £29,433). The directors of Pumpkin Patch Limited (ultimate group parent entity) have accepted the responsibility of providing and undertake to provide sufficient financial assistance to the Company as and when it is needed to enable the Company to continue its operations and fulfill all of its financial obligations now and in the future. The undertaking is provided for a minimum period of twelve months from the date of signing these accounts.

PUMPKIN PATCH EUROPE BRANDS LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2013 (CONTINUED)

Statement of directors' responsibilities

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 prepared 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 year. 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;
- 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 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 information to auditors

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

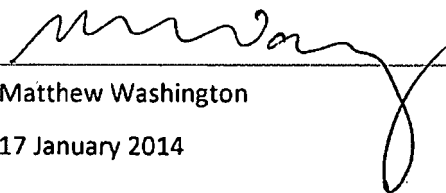
- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

PUMPKIN PATCH EUROPE BRANDS LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2013 (CONTINUED)

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board,



Matthew Washington

17 January 2014

PUMPKIN PATCH EUROPE BRANDS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PUMPKIN PATCH EUROPE BRANDS LIMITED

We have audited the financial statements of Pumpkin Patch Europe Brands Limited for the year ended 31 July 2013 which comprise the Profit and Loss Account, the 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 and financial statements 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 July 2013 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 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.



Hazel Macnamara (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
17 January 2014

PUMPKIN PATCH EUROPE BRANDS LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR 31 JULY 2013**

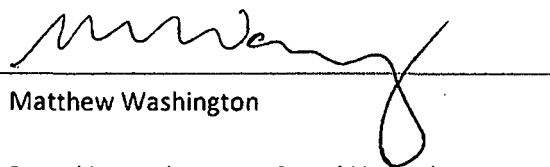
Continuing operations	Notes	Year ended 31 July 2013 £	20 January 2012 to 31 July 2012 £
Turnover	2	1,004,070	336,563
Cost of sales		(430,453)	(167,607)
Gross profit		573,617	168,956
Selling expenses		(277,936)	(95,869)
Administrative expenses		(252,082)	(107,240)
Operating profit / (loss)	3	43,599	(34,153)
Finance costs	6	(10,966)	(2,000)
Profit / (loss) on ordinary activities before taxation		32,633	(36,153)
Tax on profit / (loss) on ordinary activities	7	(7,940)	6,610
Profit / (loss) for the year/period	13,14	24,693	(29,543)

The historical cost profit/ loss is identical to that disclosed above and therefore no separate note of historical cost profits and losses has been presented. The company has no recognised gains or losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

PUMPKIN PATCH EUROPE BRANDS LIMITED
BALANCE SHEET AS AT 31 JULY 2013

	Notes	2013 £	2012 £
Current assets			
Stocks	8	91,436	92,789
Debtors	9	55,163	306,503
Cash at bank		104,850	595
		251,449	399,887
Creditors – amounts falling due within one year	10	(58,203)	(16,718)
Net current assets		193,246	383,169
Total assets less current liabilities		193,246	383,169
Creditors – amounts after more than one year	11	(197,996)	(412,612)
Net liabilities		(4,750)	(29,443)
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account	13	(4,850)	(29,543)
Total shareholders' deficit	14	(4,750)	(29,443)

The financial statements on pages 8 to 16 were approved by the Board on 17 January 2014 and were signed on its behalf by:



Matthew Washington

Pumpkin Patch Europe Brand Limited
Registered Number 07917591

PUMPKIN PATCH EUROPE BRANDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2013

1 Summary of significant accounting policies

These financial statements are prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in UK.

The principal accounting policies are set out below and have been applied consistently throughout the year.

As at 31 July 2013 the Company has a deficiency of capital and reserves of £4,750 (2012: £29,433). The directors of Pumpkin Patch Limited (ultimate group parent entity) have accepted the responsibility of providing and undertake to provide sufficient financial assistance to the Company as and when it is needed to enable the Company to continue its operations and fulfill all of its financial obligations now and in the future. The undertaking is provided for a minimum period of twelve months from the date of signing these accounts.

As a result the directors consider it appropriate to prepare the financial statements on the going concern basis. The directors have received confirmation the Pumpkin Patch Originals Limited and Pumpkin Patch Limited intend to support the company for at least one year after these financial statements are signed.

The financial statements do not include any adjustments that would result from a withdrawal of this support.

Revenue recognition

Revenue comprises the fair value for the sale of goods, net of VAT, rebates and discounts. Sales of goods are recognised when the Company sells a product to an external customer at which time the benefits of ownership and risk pass to the customer.

Taxation

The tax expense or credit for the year is the tax payable on the current year's taxable profit based on the national income tax rate adjusted by changes in deferred tax assets and liabilities attributable to timing differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets are recognised for deductible timing differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Income tax on cumulative timing differences is set aside to the deferred income tax or the future income tax benefit accounts at the rates which are expected to apply when those timing differences reverse.

PUMPKIN PATCH EUROPE BRANDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

Foreign Currency

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the date of the balance sheet or at the agreed contractual rate. Transactions in foreign currency are converted to sterling at the rate ruling at the date of the transaction. All differences on exchange are taken to the profit and loss account.

Stocks

Finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs, and include expenditure incurred in acquiring the assets and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business.

Cash flow statement

The company is a wholly owned subsidiary company of a group headed by Pumpkin Patch Limited, and is included in the consolidated accounts of that company, which are publicly available. Consequently, the company has taken advantage of the exemption for preparing a cash flow statement under the terms of FRS 1 "Cash flow statements (revised 1996)".

Related party disclosures

The company is also exempt under paragraph 3(c) of FRS 8 "Related Party Disclosures", on the grounds that it is a wholly owned subsidiary of a group headed by Pumpkin Patch Limited (NZ), whose accounts are publicly available.

2 Turnover

The total sales revenue of the company has been derived from its principal activity as a clothing wholesaler within the UK.

PUMPKIN PATCH EUROPE BRANDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 Operating profit / (loss)

	Year ended 31 July 2013 £	20 January 2012 to 31 July 2012 £
Operating profit / (loss) is stated after charging		
Wages and salaries	150,317	65,594
Social security costs	38,487	12,863
Staff costs	188,804	78,457
Operating lease charges		
- Other	9,748	2,374
Services provided by the company's auditor		
- Fees payable for the audit	-	-

Auditors' remuneration of £5,000 (2012: £6,000) is borne by Pumpkin Patch Limited, the ultimate parent company of Pumpkin Patch Europe Brands Limited.

4 Directors' emoluments

The directors received no emoluments during the year with respect of their services to the company (2012: £NIL).

5 Employee information

The average monthly number of persons (excluding executive directors) employed by the company during the year was:

By activity	2013	2012
Administration	2	2

6 Interest payable and similar charges

	Year ended 31 July 2013 £	20 January 2012 to 31 July 2012 £
Interest paid to group companies (note 16)	10,966	2,000
Total Interest	10,966	2,000

PUMPKIN PATCH EUROPE BRANDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Tax on profit / (loss) on ordinary activities

	Year ended 31 July 2013 £	20 January 2012 to 31 July 2012 £
Current tax		
– UK corporation tax on profit /(loss) of the year	1,330	-
Total current tax	1,330	-
Deferred tax:		
– Future tax benefit arising from losses incurred	6,610	(6,610)
Total deferred tax	6,610	(6,610)
Tax on profit / (loss) on ordinary activities	7,940	(6,610)

The company has no estimated losses (2012: £33,050) available to be carried forward against future trading profits.

The tax assessed for the year is lower (2012: higher) than the small profits rate of corporation tax in the UK for the year ended 31 July 2013 of 20%. The differences are explained below:

	2013 £	2012 £
Profit / (Loss) on ordinary activities before taxation	32,633	(36,153)
Profit / (Loss) on ordinary activities multiplied by small profits of 20% in the United Kingdom	6,527	(7,231)
Effects of:		
– Addition to losses	-	6,610
– Utilisation of losses	(6,610)	-
– Expenses not deductible for tax purposes	1,413	621
Current tax charge for the year	1,330	-

Changes to the main rate of UK corporation tax were announced in the March 2013 UK Budget Statement. Legislation to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014 is expected to be included in the Finance Act 2013. Further reductions in the main rate are proposed to reduce the rate by 1% to 20% by 1 April 2015. These changes had also not been substantively enacted at the balance sheet date and, therefore, are not included in these Financial Statements. The effect of this change is currently being evaluated, however, the impact on the deferred tax balances due to the decreased Corporation Tax rate is not expected to be material.

PUMPKIN PATCH EUROPE BRANDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Stocks

	2013	2012
	£	£
Finished goods	91,436	92,789

There is no difference in cost between the production and replacement cost of stock. No inventory provision has been provided for at the end of the year for stock losses and obsolescence.

9 Debtors

	2013	2012
	£	£
Trade debtors	42,763	284,096
Prepayments	10,981	12,279
Other debtors	1,419	3,518
Deferred tax asset	-	6,610
Total	55,163	306,503

Deferred tax asset

<i>Movement on deferred taxation balance in the year</i>	2013	2012
	£	£
Opening balance 01 August	6,610	-
Tax losses utilised	(6,610)	6,610
Closing balance at 31 July	-	6,610

Analysis of deferred tax asset

	2013	2012
	£	£
Tax losses	-	6,610
	-	6,610

10 Creditors – amounts falling due to within one year

	2013	2012
	£	£
Trade and other payables	58,203	16,718
Total	58,203	16,718

PUMPKIN PATCH EUROPE BRANDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Creditors – amounts falling due after more than one year

	2013 £	2012 £
Amounts owed to group undertakings (note 16)	197,996	412,612
Total	197,996	412,612

12 Called-up share capital

	2013 £	2012 £
Authorised and Issued		
100 Ordinary shares of £1 each	100	100

13 Profit and loss account

	Profit and loss account £
At 1 August 2012	(29,543)
Profit for the financial year	24,693
At 31 July 2013	(4,850)

14 Reconciliation of movements in shareholders' deficit

	2013 £
Profit for the financial year	24,693
Issue of shares	-
Net (decrease) / increase to shareholders' funds	24,693
Opening shareholders' deficit	(29,443)
Closing shareholders' deficit	(4,750)

PUMPKIN PATCH EUROPE BRANDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Financial Commitments

Operating lease commitments

The Company leases its office space under a non-cancellable operating lease agreement. As at 31 July 2013 the company had annual commitments under non-cancellable operating leases as follows:

	2013 £	2012 £
Within one year	5,400	5,592
Total	5,400	5,592

16 Loans from group undertakings

Pumpkin Patch Originals Limited and Pumpkin Patch Limited, companies incorporated in New Zealand, have provided working capital to the company and at the year end £197,996 (2012: £412,612) was outstanding. Interest of £10,966 (2012: £2,000) was charged on this amount during the year. Interest is charged at the BKBM and BBSY rates plus a 3.25% margin (2012: 3.25%).

The New Zealand companies have agreed that repayment is not due until it can be made from the retained profits of the company.

17 Ultimate parent undertaking

The immediate and ultimate parent undertaking is Pumpkin Patch Limited (NZ), a company incorporated in New Zealand. Pumpkin Patch Limited (NZ) is the only company to consolidate Pumpkin Patch Europe Brands Limited. The financial statements of Pumpkin Patch Limited (NZ) are available on the group's website, www.pumpkinpatch.biz or from the registered office, Private Bag 94 310, Pakuranga, Auckland, New Zealand.