

Peter Hahn Limited

**Annual Report
Year Ended 30 September 2012**

Company Registration Number 03341321

SATURDAY



A1NCN022

A43

08/12/2012

#66

COMPANIES HOUSE

Peter Hahn Limited

Financial Statements

Year Ended 30 September 2012

| Contents | Page |
|---|-------------|
| The Directors' Report | 1 |
| Statement of Directors' Responsibilities | 3 |
| Independent Auditor's Report to the Shareholders | 4 |
| Profit and Loss Account | 6 |
| Balance Sheet | 7 |
| Notes and Accounting Policies | 8 |
| The following pages do not form part of the financial statements | |
| Detailed Profit and Loss Account | 14 |
| Notes to the Detailed Profit and Loss Account | 15 |

Peter Hahn Limited

The Directors' Report

Year Ended 30 September 2012

The directors present their report and the financial statements of the company for the year ended 30 September 2012

Principal Activities and Business Review

The company is engaged in the mail order business and distributes goods in England, especially textiles made by the parent company, Peter Hahn GmbH of Winterbach in Germany. Returns processing, warehousing and accounting are handled centrally in Winterbach.

Despite the difficult economic environment the company has performed in line with the previous financial year. Sales have increased by 4% on the previous year and margins have remained consistent with 2011.

The company recorded a profit before tax of £97,552 compared to a profit of £122,601 in the previous year.

Management are pleased with progress in the United Kingdom as orders have continued to grow and the UK business is considered to be secure. The company did note that the rate of cancellation of orders worsened in the United Kingdom when compared to the prior year but the rate of returns remained consistent through both periods.

The company plans to build on these results and continue to increase sales and market penetration over the forthcoming financial years.

As in previous years the company has one employee based in the United Kingdom who assumes responsibility for sales and marketing. The company has no branches.

The company balance sheet remains strong with net current assets increasing to £558,610, (2011 £517,372) and net assets increasing to £376,011 (2011 £375,373).

Results and Dividends

The profit for the year, after taxation, amounted to £638. The directors have not recommended a dividend.

Financial Risk Management Objectives and Policies

The company's main operating risk is the debtor default risk. This is managed through debtor risk management implemented by the parent company and through the payment methods applied in the General Terms and Conditions. Within the framework of these risks, improvements are constantly being made along with scheduled monitoring of debt levels.

The company has not derivative financial instruments.

Directors

The directors who served the company during the year were as follows:

Mr S Barth

Ms M Ways

Dr D Gutting

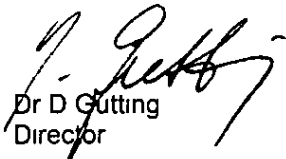
Dr D Gutting was appointed as a director on 1 June 2012.

Peter Hahn Limited

The Directors' Report (*continued*)

Year Ended 30 September 2012

Signed on behalf of the directors



Dr D Gutting
Director

Approved on

Peter Hahn Limited

Statement of Directors' Responsibilities

Year Ended 30 September 2012

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 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 year.

In preparing those 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Peter Hahn Limited

Independent Auditor's Report to the Shareholders of Peter Hahn Limited

Year Ended 30 September 2012

We have audited the financial statements of Peter Hahn Limited for the year ended 30 September 2012 which comprise the Profit and Loss Account, 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).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 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 (APB'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.

Peter Hahn Limited

Independent Auditor's Report to the Shareholders of Peter Hahn Limited (continued)

Year Ended 30 September 2012

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 2012 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 Matters 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



CHARLES EVANS (Senior Statutory Auditor)
For and on behalf of
FRANCIS CLARK LLP
Chartered Accountants & Statutory Auditor

North Quay House
Sutton Harbour
PLYMOUTH
PL4 0RA

6 Dec 2012

Peter Hahn Limited

Profit and Loss Account

Year Ended 30 September 2012

| | Note | 2012 £ | 2011 £ |
|--|------|----------------------|----------------------|
| Turnover | 2 | 8,119,386 | 7,804,748 |
| Cost of sales | | <u>7,566,846</u> | <u>7,254,981</u> |
| Gross Profit | | 552,540 | 549,767 |
| Administrative expenses | | <u>454,630</u> | <u>431,891</u> |
| Operating Profit | 3 | 97,910 | 117,876 |
| Interest receivable | 5 | — | 4,725 |
| Interest payable and similar charges | 6 | (358) | — |
| Profit on Ordinary Activities Before Taxation | | <u>97,552</u> | <u>122,601</u> |
| Tax on profit on ordinary activities | 7 | 96,914 | 34,328 |
| Profit for the Financial Year | | <u>638</u> | <u>88,273</u> |

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 8 to 12 form part of these financial statements.

Peter Hahn Limited

Balance Sheet

30 September 2012

| | Note | 2012 £ | 2011 £ |
|---|------|------------------|----------------|
| Fixed Assets | | | |
| Tangible assets | 8 | <u>1</u> | <u>1</u> |
| Current Assets | | | |
| Stocks | 9 | 1,280 | 2,420 |
| Debtors | 10 | 979,922 | 841,182 |
| Cash at bank | | 168,608 | 143,407 |
| | | <u>1,149,810</u> | <u>987,009</u> |
| Creditors. Amounts falling due within one year | 12 | <u>591,200</u> | <u>469,637</u> |
| Net Current Assets | | <u>558,610</u> | <u>517,372</u> |
| Total Assets Less Current Liabilities | | <u>558,611</u> | <u>517,373</u> |
| Provisions for Liabilities | | | |
| Other provisions | 13 | 182,600 | 142,000 |
| | | <u>376,011</u> | <u>375,373</u> |
| Capital and Reserves | | | |
| Called-up equity share capital | 15 | 170,000 | 170,000 |
| Other reserves | 16 | 1,528,600 | 1,528,600 |
| Profit and loss account | 17 | (1,322,589) | (1,323,227) |
| Shareholders' Funds | 18 | <u>376,011</u> | <u>375,373</u> |

These financial statements were approved by the directors and authorised for issue on 3 Dec 2012, and are signed on their behalf by


Ms M Ways


Dr D Gutting

Company Registration Number 03341321

The notes on pages 8 to 12 form part of these financial statements.

Peter Hahn Limited

Notes and Accounting Policies

Year Ended 30 September 2012

1. Accounting Policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention

(b) Cash flow statement

Under Financial Reporting Standard No 1 (Revised 1996) the company is exempt from including a cash flow statement in the financial statements on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

(c) Turnover

Turnover represents mail order sales to external customers at invoiced amounts less value added tax. Payment is received on order and revenue is recognised when the risks and rewards of owning the goods has passed from the company to the buyer, which is generally on dispatch of the goods.

All returns are debited to sales at the original invoiced amount less value added tax. Returns are recognised following the inspection of the returned goods and the issue of a refund to the customer.

(d) Fixed assets

All fixed assets are initially recorded at cost

(e) Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Equipment - 25% straight line

(f) Stocks

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

(g) Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

(h) Deferred 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 required by Financial Reporting Standard No 19

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised (unless the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilised

(i) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit

Peter Hahn Limited

Notes and Accounting Policies

Year Ended 30 September 2012

2 Turnover

The turnover and profit before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

| | 2012 £ | 2011 £ |
|----------------|------------------|------------------|
| United Kingdom | <u>8,119,386</u> | <u>7,804,748</u> |

3 Operating Profit

Operating profit is stated after charging/(crediting)

| | 2012 £ | 2011 £ |
|--|-----------------|----------------|
| Directors' remuneration | – | – |
| Auditor's remuneration | | |
| - audit fees | 9,800 | 10,925 |
| - accountancy fees | 1,000 | 2,600 |
| Operating lease costs | | |
| - Other | 15,192 | 15,192 |
| Net profit on foreign currency translation | <u>(17,640)</u> | <u>(4,312)</u> |

4. Particulars of Employees

The average number of staff employed by the company during the financial year amounted to

| | 2012 No | 2011 No |
|--------------------------------|------------|------------|
| Number of administrative staff | <u>1</u> | <u>1</u> |

The aggregate payroll costs of the above were

| | 2012 £ | 2011 £ |
|-----------------------|---------------|---------------|
| Wages and salaries | 52,133 | 49,357 |
| Social security costs | 8,569 | 7,954 |
| | <u>60,702</u> | <u>57,311</u> |

5. Interest Receivable

| | 2012 £ | 2011 £ |
|----------------------------------|-----------|--------------|
| Interest from group undertakings | <u>–</u> | <u>4,725</u> |

6. Interest Payable and Similar Charges

| | 2012 £ | 2011 £ |
|-------------------------------|------------|-----------|
| Other similar charges payable | <u>358</u> | <u>–</u> |

Peter Hahn Limited

Notes and Accounting Policies

Year Ended 30 September 2012

7. Taxation on Ordinary Activities

Analysis of charge in the year

| | 2012 £ | 2011 £ |
|--|---------------|---------------|
| Deferred tax | | |
| Origination and reversal of timing differences (note 11) | | |
| Capital allowances | 71 | 59 |
| Losses | 96,843 | 34,269 |
| Total deferred tax (note 11) | <u>96,914</u> | <u>34,328</u> |

8. Tangible Fixed Assets

| | Equipment £ |
|---|----------------|
| Cost | |
| At 1 October 2011 and 30 September 2012 | <u>2,647</u> |
| Depreciation | |
| At 1 October 2011 and 30 September 2012 | <u>2,646</u> |
| Net Book Value | |
| At 30 September 2012 | <u>1</u> |
| At 30 September 2011 | <u>1</u> |

9. Stocks

| | 2012 £ | 2011 £ |
|-------|--------------|--------------|
| Stock | <u>1,280</u> | <u>2,420</u> |

10 Debtors

| | 2012 £ | 2011 £ |
|------------------------------------|----------------|----------------|
| Trade debtors | 195,629 | 139,944 |
| Amounts owed by group undertakings | 283,288 | 71,623 |
| Other debtors | 3,482 | 3,182 |
| Prepayments and accrued income | 79,926 | 111,922 |
| Deferred taxation (note 11) | 417,597 | 514,511 |
| | <u>979,922</u> | <u>841,182</u> |

Peter Hahn Limited

Notes and Accounting Policies

Year Ended 30 September 2012

11. Deferred Taxation

The deferred tax included in the Balance sheet is as follows

| | 2012 £ | 2011 £ |
|-------------------------------|----------------|----------------|
| Included in debtors (note 10) | <u>417,597</u> | <u>514,511</u> |

The movement in the deferred taxation account during the year was

| | 2012 £ | 2011 £ |
|--|----------------|----------------|
| Balance brought forward | 514,511 | 548,839 |
| Profit and loss account movement arising during the year | (96,914) | (34,328) |
| Balance carried forward | <u>417,597</u> | <u>514,511</u> |

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

| | 2012 £ | 2011 £ |
|---|----------------|----------------|
| Excess of depreciation over taxation allowances | 168 | 239 |
| Tax losses available | <u>417,429</u> | <u>514,272</u> |
| | <u>417,597</u> | <u>514,511</u> |

The deferred tax asset is recognised as the losses are historic and the company has returned to profitability so is able to utilise past losses

12. Creditors' Amounts falling due within one year

| | 2012 £ | 2011 £ |
|---------------------------------------|----------------|----------------|
| Payments due to customers for returns | 75,579 | 79,067 |
| Trade creditors | 223,461 | 54,287 |
| PAYE and social security | 1,270 | 1,324 |
| VAT | 94,790 | 107,059 |
| Accruals and deferred income | <u>196,100</u> | <u>227,900</u> |
| | <u>591,200</u> | <u>469,637</u> |

13. Other Provisions

| | 2012 £ |
|--------------------------|----------------|
| Other provisions: | |
| Balance brought forward | 142,000 |
| Movement for year | <u>40,600</u> |
| | <u>182,600</u> |

Other provisions relate to the profit on goods sold during the year that are expected to be returned after the year end for £180,000 (2011 - £126,000) and a provision against coupons issued in the year that are expected to be redeemed after the year end £2,600 (2011 - £16,000)

Peter Hahn Limited

Notes and Accounting Policies

Year Ended 30 September 2012

14. Related Party Transactions

At 30 September 2012 Peter Hahn GmbH owed the company £283,288 (2011 - £71,623) Interest is charged on the outstanding balance and in the year to 30 September 2012 this amounted to £358 payable (2011 - £4,725 receivable)

During the year the company purchased goods for resale amounting to £2,735,847 (2011 - £2,642,666), services of £148,974 (2011 - £143,266) and distribution and despatch costs of £252,202 (2011 - £253,133) from Peter Hahn GmbH The company was charged £4,943 for bookkeeping services provided by Peter Hahn GmbH (2011 £5,211) The company was also charged £39,259 (2011 - £33,018) for a variety of sundry costs which are paid for centrally by Peter Hahn GmbH to the company Additionally Peter Hahn GmbH paid for marketing and catalogue costs of £1,839,282 (2011 - £1,888,459) which is done centrally for the group

15. Share Capital

Allotted, called up and fully paid:

| | 2012 No | £ | 2011 No | £ |
|------------------------------------|----------------|----------------|----------------|----------------|
| 170,000 Ordinary shares of £1 each | <u>170,000</u> | <u>170,000</u> | <u>170,000</u> | <u>170,000</u> |

16 Other Reserves

| | 2012 £ | 2011 £ |
|----------------|------------------|------------------|
| Other reserves | <u>1,528,600</u> | <u>1,528,600</u> |

In the year ended 30 September 2008, the company received a gift of £1,528,600 from Peter Hahn GmbH This has been treated as a capital contribution and recorded directly in reserves in accordance with accounting standards

17. Profit and Loss Account

| | 2012 £ | 2011 £ |
|-------------------------------|--------------------|--------------------|
| Balance brought forward | (1,323,227) | (1,411,500) |
| Profit for the financial year | <u>638</u> | <u>88,273</u> |
| Balance carried forward | <u>(1,322,589)</u> | <u>(1,323,227)</u> |

18. Reconciliation of Movements in Shareholders' Funds

| | 2012 £ | 2011 £ |
|-------------------------------|----------------|----------------|
| Profit for the financial year | <u>638</u> | <u>88,273</u> |
| Opening shareholders' funds | <u>375,373</u> | <u>287,100</u> |
| Closing shareholders' funds | <u>376,011</u> | <u>375,373</u> |

19. Ultimate Parent Company

The company is a wholly owned subsidiary of Peter Hahn Beteiligungs GmbH, a company registered in Germany The ultimate parent company is Arcandor AG which is a company also registered in Germany