Company Registration No 01391526 (England and Wales)

PEERS HARDY (UK) LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2010

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PEERS HARDY (UK) LIMITED

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PEERS HARDY (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report and financial statements for the year ended 31 December 2010

Principal activities and review of the business
The principal activities of the company are those of designing, importing and distributing watches, clocks and gift products

The Board are committed to growing the company through new product, new brands, increasing market share and its existing customer base

As with all commercial operations, Peers Hardy's operations are carried out in an environment of risk The Board have procedures in place to both monitor and mitigate these risks

A large proportion of the company's products are imported from the Far East, and predominantly paid for in US$ Where customers are not invoiced in US$, the resultant exchange risk is mitigated by entering in to forward currency contracts

As regards supply, the provision of timely and quality supplies is key to customer retention Suppliers are constantly monitored for both and the company works proactively with its many suppliers on a day to day basis to mitigate this risk

The management of working capital risk is subject to strict internal control procedures and planning These procedures include the use of insurers and insurance products, and other third party information providers

Demand is also subject to consumer spending patterns and levels of disposable income Whilst every effort is made to differentiate the company offering, not all the adverse consequences of this risk are avoidable

The accounts disclose an operating profit for the year of £1,122,809 and a profit after interest and taxation of £832,048 The company's balance sheet shows a satisfactory position after a period of substantial economic uncertainty, shareholders funds amounting to £4,809,086 at the balance sheet date

Results and dividends
The results for the year are set out on page 5

The directors do not recommend payment of an ordinary dividend

Directors
The following directors have held office since 1 January 2010

J E Story
P Harry
S Potter
N C Baker
P Verrills

Auditors
The directors recommend that CK Audit be reappointed as auditors of the company

PEERS HARDY (UK) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

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 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

By order of the board

S Potter
Secretary
30 June 2011

PEERS HARDY (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO PEERS HARDY (UK) LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 4 to 17, together with the financial statements of Peers Hardy (UK) Limited for the year ended 31 December 2010 prepared under section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Chapter 10 of Part 15 of the Companies Act 2006 Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006 It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section

P Davies

Peter Davies (Senior Statutory Auditor)
for and on behalf of CK Audit

30 June 2011

Chartered Accountants
Statutory Auditor

No 4 Castle Court 2
Castlegate Way
Dudley
West Midlands
DY1 4RH

PEERS HARDY (UK) LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 £	2009 £
Turnover		22,202,460	16,822,157
Other operating income less cost of sales		(15,788,499)	(12,374,853)
Administrative expenses		(5,291,152)	(4,238,574)
Operating profit	2	1,122,809	208,730
Other interest receivable and similar income		640	1,292
Interest payable and similar charges	4	(12,592)	(14,886)
Profit on ordinary activities before taxation		1,110,857	195,136
Tax on profit on ordinary activities	5	(278,809)	(31,474)
Profit for the year	16	832,048	163,662

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

PEERS HARDY (UK) LIMITED

ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 2010

	Notes	2010 £	2010 £	2009 £	2009 £
Fixed assets					
Intangible assets	6		18,352		21,656
Tangible assets	7		351,320		310,862
Investments	8		240		240
			369,912		332,758
Current assets					
Stocks	9	3,422,347		2,364,293	
Debtors	10	5,115,199		3,500,956	
Cash at bank and in hand		2,947,472		2,164,203	
		11,485,018		8,029,452	
Creditors: amounts falling due within one year	11	(6,951,489)		(4,327,081)	
Net current assets			4,533,529		3,702,371
Total assets less current liabilities			4,903,441		4,035,129
Creditors: amounts falling due after more than one year	12		(94,355)		(58,092)
			4,809,086		3,977,037
Capital and reserves					
Called up share capital	15		85,000		85,000
Revaluation reserve	16		39,107		39,107
Other reserves	16		15,000		15,000
Profit and loss account	16		4,669,979		3,837,930
Shareholders' funds	17		4,809,086		3,977,037

These abbreviated accounts have been prepared in accordance with the special provisions in section 445(3) of the Companies Act 2006 relating to medium-sized companies

Approved by the Board and authorised for issue on 30 June 2011

S Potter
Director

Company Registration No. 01391526

PEERS HARDY (UK) LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

		2010		2009
	£	£	£	£
Net cash inflow from operating activities		950,349		(784,154)
Returns on investments and servicing of finance				
Interest received	640		1,292	
Interest paid	(12,592)		(14,886)	
Net cash outflow for returns on investments and servicing of finance		(11,952)		(13,594)
Taxation		(31,474)		(35,015)
Capital expenditure				
Payments to acquire intangible assets	(2,821)		(3,573)	
Payments to acquire tangible assets	(45,233)		(71,299)	
Receipts from sales of tangible assets	27,300		91,460	
Net cash (outflow)/inflow for capital expenditure		(20,754)		16,588
Net cash inflow before management of liquid resources and financing		886,169		(795,750)
Financing				
Capital element of hire purchase contracts	(102,900)		(146,062)	
Net cash outflow from financing		(102,900)		(146,062)
Increase in cash in the year		783,269		(956,248)

PEERS HARDY (UK) LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

1	**Reconciliation of operating profit to net cash inflow from operating activities**	**2010**	**2009**
		£	**£**
	Operating profit	1,122,809	208,730
	Depreciation of tangible assets	158,283	154,165
	Amortisation of intangible assets	6,125	6,105
	(Profit)/loss on disposal of tangible assets	(11,355)	9,446
	(Increase)/decrease in stocks	(1,058,054)	595,863
	(Increase)/decrease in debtors	(1,593,328)	379,731
	Increase/(decrease) in creditors within one year	2,325,884	(372,381)
	Net cash inflow from operating activities	950,364	981,659

2	**Analysis of net funds**	**1 January 2010**	**Cash flow**	**Other non-cash changes**	**31 December 2010**
		£	**£**	**£**	**£**
	Net cash				
	Cash at bank and in hand	2,163,312	783,269	-	2,946,581
	Liquid resources				
	Bank deposits	891	-	-	891
	Debt				
	Finance leases	(124,209)	102,900	(169,440)	(190,749)
	Net funds	2,039,994	886,169	(169,440)	2,756,723

3	**Reconciliation of net cash flow to movement in net funds**	**2010**	**2009**
		£	**£**
	Increase in cash in the year	783,269	803,576
	Cash outflow from decrease in debt and lease financing	102,900	52,593
	Change in net debt resulting from cash flows	886,169	856,169
	New finance lease	(169,440)	-
	Movement in net funds in the year	716,729	856,169
	Opening net funds	2,039,994	1,183,825
	Closing net funds	2,756,723	2,039,994

PEERS HARDY (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting policies

1 1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of trade marks

1 2 Turnover

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

1 3 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life

1.4 Trade marks

Trade marks are valued at cost or valuation, less accumulated amortisation Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives

1 5 Tangible fixed assets and depreciation

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

Land and buildings Leasehold	Over period of lease(4 years)
Fixtures, fittings & equipment	33% reducing balance/ straight line as appropriate
Motor vehicles	15% to 50% reducing balance/ straight line as appropriate

1 6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives Obligations under such agreements are included in creditors net of the finance charge allocated to future periods The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

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

1 7 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1 8 Stock

Stock is valued at the lower of cost and net realisable value

1.9 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

1.10 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future

1 Accounting policies (continued)

1.11 Group accounts

In accordance with s 405(2) Companies Act 2006 group accounts have not been prepared on the basis that the exclusion of subsidiary companies is not material for the purpose of giving a true and fair view

2 Operating profit

	2010	2009
	£	£
Operating profit is stated after charging		
Amortisation of intangible assets	6,125	6,105
Depreciation of tangible assets	158,271	154,165
Loss on disposal of tangible assets	-	9,446
Operating lease rentals	206,933	200,771
Auditors' remuneration (including expenses and benefits in kind)	8,920	8,500
and after crediting		
Profit on disposal of tangible assets	(11,355)	-

3 Investment income

	2010	2009
	£	£
Bank interest	640	1,292
	640	1,292

4 Interest payable

	2010	2009
	£	£
On bank loans and overdrafts	648	428
Hire purchase interest	11,455	14,458
On overdue tax	489	-
	12,592	14,886

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2010

5	**Taxation**	**2010**	**2009**
		£	**£**
	Domestic current year tax		
	U K corporation tax	299,724	31,474
	Total current tax	299,724	31,474
	Deferred tax		
	Deferred tax charge/credit current year	(20,915)	-
		278,809	31,474
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	1,110,857	195,136
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28 00% (2009 - 21 00%)	311,040	40,979
	Effects of		
	Non deductible expenses	2,123	1,054
	Depreciation add back	46,031	33,657
	Capital allowances	(44,475)	(46,200)
	Other tax adjustments	(14,995)	1,984
		(11,316)	(9,505)
	Current tax charge for the year	299,724	31,474

6 Intangible fixed assets

	Trade marks	Goodwill	Total
	£	£	£
Cost			
At 1 January 2010	88,046	361,926	449,972
Additions	2,821	-	2,821
At 31 December 2010	90,867	361,926	452,793
Amortisation			
At 1 January 2010	66,390	361,926	428,316
Charge for the year	6,125	-	6,125
At 31 December 2010	72,515	361,926	434,441
Net book value			
At 31 December 2010	18,352	-	18,352
At 31 December 2009	21,656	-	21,656

Trademarks held at December 2000 were revalued by the directors and are amortised over their useful economic lives Aquisitions since that date are stated at cost and are also amortised over their useful economic lives

PEERS HARDY (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2010

7 Tangible fixed assets

	Land and buildings Leasehold	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 January 2010	174,419	790,163	336,882	1,301,464
Additions	-	54,058	160,615	214,673
Disposals	-	-	(78,449)	(78,449)
At 31 December 2010	174,419	844,221	419,048	1,437,688
Depreciation				
At 1 January 2010	174,419	673,709	142,473	990,601
On disposals	-	-	(62,504)	(62,504)
Charge for the year	-	62,686	95,585	158,271
At 31 December 2010	174,419	736,395	175,554	1,086,368
Net book value				
At 31 December 2010	-	107,826	243,494	351,320
At 31 December 2009	-	116,453	194,409	310,862

Included above are assets held under finance leases or hire purchase contracts as follows

	Motor vehicles
	£
Net book values	
At 31 December 2010	247,928
At 31 December 2009	163,690
Depreciation charge for the year	
At 31 December 2010	82,082
At 31 December 2009	41,404

PEERS HARDY (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2010

8 Fixed asset investments

	Shares in subsidiary undertakings
	£
Cost or valuation	
At 1 January 2010 & at 31 December 2010	240
Net book value	
At 31 December 2010	240
At 31 December 2009	240

Holdings of more than 20%
The company holds more than 20% of the share capital of the following companies'

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Horological Industries Limited	Hong Kong	Ordinary	100 00
Peers Hardy Hong Kong Limited	Hong Kong	Ordinary*	100 00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	Principal activity	Capital and reserves 2010 £	Profit/(loss) for the year 2010 £
Horological Industries Limited	Non trading	(36,359)	-
Peers Hardy Hong Kong Limited	Non trading	1	-

Unless otherwise indicated by * holdings are owned directly by the company

9 Stocks

	2010	2009
	£	£
Finished goods and goods for resale	3,422,347	2,364,293

PEERS HARDY (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2010

10 Debtors

	2010	2009
	£	£
Trade debtors	4,867,151	3,283,252
Amounts owed by subsidiary undertakings	13,834	36,417
Other debtors	27,280	5,770
Prepayments and accrued income	186,019	175,517
Deferred tax asset (see note 13)	20,915	-
	5,115,199	3,500,956

11 Creditors: amounts falling due within one year

	2010	2009
	£	£
Net obligations under hire purchase contracts	96,394	66,117
Trade creditors	4,852,895	3,117,273
Corporation tax	299,736	31,486
Other taxes and social security costs	351,067	224,805
Other creditors	2,914	8,923
Accruals and deferred income	1,348,483	878,477
	6,951,489	4,327,081

12 Creditors: amounts falling due after more than one year

	2010	2009
	£	£
Net obligations under hire purchase contracts	94,355	58,092
Net obligations under hire purchase contracts		
Repayable within one year	96,394	66,117
Repayable between one and five years	94,355	58,092
	190,749	124,209
Included in liabilities falling due within one year	(96,394)	(66,117)
	94,355	58,092

13 Provisions for liabilities

The deferred tax asset (included in debtors, note 10) is made up as follows:

	2010 £
Profit and loss account	(20,915)

	2010 £	2009 £
(Decelerated)/accelerated capital allowances	(5,959)	-
Other timing differences	(14,956)	-
	(20,915)	-

14 Pension and other post-retirement benefit commitments
Defined contribution

	2010 £	2009 £
Contributions payable by the company for the year	50,668	51,776

15 Share capital

	2010 £	2009 £
Allotted, called up and fully paid		
747,000 'A' ordinary shares of 10p each	74,700	74,700
103,000 'B' ordinary shares of 10p each	10,300	10,300
	85,000	85,000

16 Statement of movements on reserves

	Revaluation reserve	Other reserves (see below)	Profit and loss account
	£	£	£
Balance at 1 January 2010	39,107	15,000	3,837,931
Profit for the year	-	-	832,048
Balance at 31 December 2010	39,107	15,000	4,669,979

Other reserves
Capital redemption reserve

Balance at 1 January 2010 & at 31 December 2010	15,000

17 Reconciliation of movements in shareholders' funds

	2010	2009
	£	£
Profit for the financial year	832,048	163,662
Opening shareholders' funds	3,977,037	3,813,375
Closing shareholders' funds	4,809,086	3,977,037

18 Financial commitments

At 31 December 2010 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2011

	Land and buildings	
	2010	2009
	£	£
Operating leases which expire		
Within one year	26,218	-
Between two and five years	92,073	165,827
	118,291	165,827

19 Directors' remuneration

	2010 £	2009 £
Remuneration for qualifying services	861,217	669,033
Company pension contributions to defined contribution schemes	23,726	23,051
	884,943	692,084

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2009 - 3)

Remuneration disclosed above include the following amounts paid to the highest paid director

	2010	2009
Remuneration for qualifying services	230,171	166,895
Company pension contributions to defined contribution schemes	10,525	10,351

20 Employees

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

	2010 Number	2009 Number
Distribution	33	30
Administration	27	20
Sales	22	20
	82	70

Employment costs	2010 £	2009 £
Wages and salaries	2,423,047	2,006,530
Social security costs	264,608	222,940
Other pension costs	50,668	51,776
	2,738,323	2,281,246