Company Registration No. 01391526 (England and Wales)

PEERS HARDY (UK) LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2012

PEERS HARDY (UK) LIMITED

CONTENTS

PEERS HARDY (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and financial statements for the year ended 31 December 2012

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, new markets, increasing market share and its existing customer base

As with all commerical 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 predominately paid for in US$ Where customers are not invoiced in US$, the resultant exchange rate 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 £1,600,385 (2011 £1,608,236 and a profit after interest and taxation of £1,186,850 (2011 £1,162,744) The company's balance sheet shows a satisfactory position after a period of substantial economic uncertainty, shareholders funds amounting to £6,854,436 (2011 £5,667,585) 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 2012

Mr J Story	
Mr S Potter	
Mr N Baker	
Mr P V Harry	
Mr P Verrills	(Resigned 31 January 2013)

Auditors
The auditors, CK Audit, are deemed to be reappointed under section 487(2) of the Companies Act 2006

PEERS HARDY (UK) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

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
So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information

By order of the board

Mr S Potter
Secretary
23 September 2013

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 18, together with the financial statements of Peers Hardy (UK) Limited for the year ended 31 December 2012 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

CK Audit

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

23 September 2013

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 2012

	Notes	2012 £	2011 £
Turnover		34,359,099	25,771,990
Other operating income less cost of sales		(23,979,737)	(17,827,890)
Administrative expenses		(8,778,977)	(6,335,864)
Operating profit	2	1,600,385	1,608,236
Other interest receivable and similar income		164	184
Interest payable and similar charges	4	(24,852)	(19,481)
Profit on ordinary activities before taxation		1,575,697	1,588,939
Tax on profit on ordinary activities	5	(388,847)	(426,195)
Profit for the year	17	1,186,850	1,162,744

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 2012

	Notes	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Intangible assets	7		33,020		15,159
Tangible assets	8		691,197		462,792
Investments	9		240		240
			724,457		478,191
Current assets					
Stocks	10	5,142,261		3,321,229	
Debtors	11	10,137,631		6,880,787	
Cash at bank and in hand		554,284		1,074,907	
		15,834,176		11,276,923	
Creditors. amounts falling due within one year	12	(9,511,460)		(5,947,694)	
Net current assets			6,322,716		5,329,229
Total assets less current liabilities			7,047,173		5,807,420
Creditors amounts falling due after more than one year	13		(192,737)		(139,835)
			6,854,436		5,667,585
Capital and reserves					
Called up share capital	16		85,000		85,000
Revaluation reserve	17		39,107		39,107
Other reserves	17		15,000		15,000
Profit and loss account	17		6,715,329		5,528,478
Shareholders' funds	18		6,854,436		5,667,585

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 23 September 2013

Mr S Potter
Director

Company Registration No. 01391526

PEERS HARDY (UK) LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2012

		2012		2011
	£	£	£	£
Net cash inflow/(outflow) from operating activities		305,800		(1,183,315)
Returns on investments and servicing of finance				
Interest received	164		184	
Interest paid	(24,852)		(19,481)	
Net cash outflow for returns on investments and servicing of finance		(24,688)		(19,297)
Taxation		(431,959)		(299,736)
Capital expenditure				
Payments to acquire intangible assets	(22,852)		(1,782)	
Payments to acquire tangible assets	(224,890)		(71,494)	
Receipts from sales of intangible assets	-		95,263	
Receipts from sales of tangible assets	69,606		41,100	
Net cash (outflow)/inflow for capital expenditure		(178,136)		63,087
Equity dividends paid		-		(304,244)
Net cash outflow before management of liquid resources and financing		(328,983)		(1,743,505)
Management of liquid resources				
Bank deposits	(2,520)		(2,337)	
		(2,520)		(2,337)
Financing				
Capital element of hire purchase contracts	(191,640)		(129,060)	
Increase in debt	(191,640)		(129,060)	
Net cash outflow from financing		(191,640)		(129,060)
Decrease in cash in the year		(523,143)		(1,874,902)

PEERS HARDY (UK) LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2012

1 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2012	2011
	£	£
Operating profit	1,600,385	1,608,236
Depreciation of tangible assets	205,144	165,992
Amortisation of intangible assets	4,992	4,610
Profit on disposal of tangible assets	(8,569)	(18,136)
Profit on disposal of intangible assets	-	(94,898)
(Increase)/decrease in stocks	(1,821,032)	101,118
Increase in debtors	(3,281,973)	(1,759,824)
Increase/(decrease) in creditors within one year	3,606,853	(1,190,413)
Net cash inflow/(outflow) from operating activities	305,800	(1,183,315)

2 Analysis of net funds	1 January 2012	Cash flow	Other non-cash changes	31 December 2012
	£	£	£	£
Net cash				
Cash at bank and in hand	1,071,679	(523,143)	-	548,536
Liquid resources				
Bank deposits	3,228	2,520	-	5,748
Debt				
Finance leases	(290,623)	194,779	(272,835)	(368,679)
Net funds	784,284	(325,844)	(272,835)	185,605

3 Reconciliation of net cash flow to movement in net funds	2012	2011
	£	£
Decrease in cash in the year	(523,143)	(1,874,902)
Cash outflow from increase in liquid resources	2,520	2,337
Cash outflow from decrease in debt and lease financing	194,779	129,060
Change in net debt resulting from cash flows	(325,844)	(1,743,505)
New finance lease	(272,835)	(228,934)
Movement in net funds in the year	(598,679)	(1,972,439)
Opening net funds	784,284	2,756,723
Closing net funds	185,605	784,284

PEERS HARDY (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2012

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

Group accounts have not been prepared on the basis that they are not material and the appropriate information for the subsidiary undertakings cannot be obtained without disproportionate expense and undue delay

1.12 Trademarks

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

2 Operating profit

	2012	2011
	£	£
Operating profit is stated after charging		
Amortisation of intangible assets	4,992	4,610
Depreciation of tangible assets	205,144	165,992
Operating lease rentals	183,145	176,019
Auditors' remuneration (including expenses and benefits in kind)	12,000	11,885
and after crediting		
Profit on disposal of tangible assets	(8,569)	(18,136)
Profit on disposal of intangible assets	-	(94,898)

3 Investment income

	2012	2011
	£	£
Bank interest	164	184
	164	184

4 Interest payable

	2012	2011
	£	£
On bank loans and overdrafts	232	2,111
Hire purchase interest	24,620	17,370
	24,852	19,481

PEERS HARDY (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

5	Taxation	2012	2011
		£	£
	Domestic current year tax		
	U K corporation tax	363,718	431,959
	Total current tax	363,718	431,959
	Deferred tax		
	Deferred tax charge/credit current year	25,129	(5,764)
		388,847	426,195
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	1,575,697	1,588,939
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24 50% (2011 - 26 49%)	386,046	420,910
	Effects of		
	Fixed asset timing differences	1,223	(23,920)
	Expenses not deductible for tax purposes	983	-
	Other permanent differences	-	1,294
	Chargeable gains / (losses)	-	25,141
	Depreciation in excess of capital allowances	6	(9,158)
	Other short term timing differences	(24,540)	17,692
		(22,328)	11,049
	Current tax charge for the year	363,718	431,959

6	Dividends	2012	2011
		£	£
	Ordinary final paid	-	304,244

PEERS HARDY (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

7 Intangible fixed assets

	Trade marks	Goodwill	Total
	£	£	£
Cost			
At 1 January 2012	92,006	361,926	453,932
Additions	22,852	-	22,852
At 31 December 2012	114,858	361,926	476,784
Amortisation			
At 1 January 2012	76,846	361,926	438,772
Charge for the year	4,992	-	4,992
At 31 December 2012	81,838	361,926	443,764
Net book value			
At 31 December 2012	33,020	-	33,020
At 31 December 2011	15,159	-	15,159

8 Tangible fixed assets

	Land and buildings Leasehold	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 January 2012	174,419	892,300	534,283	1,601,002
Additions	48,779	222,975	222,834	494,588
Disposals	-	-	(171,252)	(171,252)
At 31 December 2012	223,198	1,115,275	585,865	1,924,338
Depreciation				
At 1 January 2012	174,419	791,668	172,125	1,138,212
On disposals	-	-	(110,215)	(110,215)
Charge for the year	1,572	59,907	143,665	205,144
At 31 December 2012	175,991	851,575	205,575	1,233,141
Net book value				
At 31 December 2012	47,207	263,700	380,290	691,197
At 31 December 2011	-	100,632	362,160	462,792

8 Tangible fixed assets **(Continued)**

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

	Plant and machinery	Motor vehicles	Total
	£	£	£
Net book values			
At 31 December 2012	89,002	353,206	442,208
At 31 December 2011	-	363,050	363,050
Depreciation charge for the year			
At 31 December 2012	1,500	116,302	117,802
At 31 December 2011	-	90,102	90,102

9 Fixed asset investments

	Shares in subsidiary undertakings
	£
Cost or valuation	
At 1 January 2012 & at 31 December 2012	240
Net book value	
At 31 December 2012	240
At 31 December 2011	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

9 Fixed asset investments **(Continued)**

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 2012 £	Profit/(loss) for the year 2012 £
Horological Industries Limited**	Commercial agent	-	-
Peers Hardy Hong Kong Limited**	Commercial agent	-	-

Unless otherwise indicated by * holdings are owned directly by the company
**Group accounts have not been prepared on the basis that they are not material and the appropriate information for the subsidiary undertakings cannot be obtained without disproportionate expense and undue delay

10 Stocks

	2012 £	2011 £
Finished goods and goods for resale	5,142,261	3,321,229

11 Debtors

	2012 £	2011 £
Trade debtors	9,747,469	6,100,780
Amounts owed by subsidiary undertakings	29,203	10,519
Other debtors	39,103	520,160
Prepayments and accrued income	320,306	222,649
Deferred tax asset (see note 15)	1,550	26,679
	10,137,631	6,880,787

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

12 Creditors. amounts falling due within one year	2012 £	2011 £
Net obligations under hire purchase contracts	175,942	150,788
Trade creditors	5,118,680	1,634,516
Corporation tax	363,718	431,959
Other taxes and social security costs	687,342	520,866
Other creditors	1,655,553	1,882,966
Accruals and deferred income	1,510,225	1,326,599
	9,511,460	5,947,694

13 Creditors amounts falling due after more than one year	2012 £	2011 £
Net obligations under hire purchase contracts	192,737	139,835
Net obligations under hire purchase contracts		
Repayable within one year	175,942	150,788
Repayable between one and five years	192,737	139,835
	368,679	290,623
Included in liabilities falling due within one year	(175,942)	(150,788)
	192,737	139,835

PEERS HARDY (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

14 Provisions for liabilities

The deferred tax asset (included in debtors, note 11) is made up as follows:

	2012 £
Balance at 1 January 2012	(26,679)
Profit and loss account	25,129
Balance at 31 December 2012	(1,550)

	2012 £	2011 £
Accelerated capital allowances	3,327	3,321
Other timing differences	(4,877)	(30,000)
	(1,550)	(26,679)

15 Pension and other post-retirement benefit commitments
Defined contribution

	2012 £	2011 £
Contributions payable by the company for the year	64,097	57,203

16 Share capital

	2012 £	2011 £
Allotted, called up and fully paid		
829,750 'A' ordinary shares of 10p each	82,975	82,975
20,250 'B' ordinary shares of 10p each	2,025	2,025
	85,000	85,000

PEERS HARDY (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

17 Statement of movements on reserves

	Revaluation reserve	Other reserves (see below)	Profit and loss account
	£	£	£
Balance at 1 January 2012	39,107	15,000	5,528,479
Profit for the year	-	-	1,186,850
Balance at 31 December 2012	39,107	15,000	6,715,329

Other reserves

Capital redemption reserve

Balance at 1 January 2012 & at 31 December 2012	15,000

18 Reconciliation of movements in shareholders' funds

	2012	2011
	£	£
Profit for the financial year	1,186,850	1,162,744
Dividends	-	(304,244)
Net addition to shareholders' funds	1,186,850	858,500
Opening shareholders' funds	5,667,585	4,809,085
Closing shareholders' funds	6,854,436	5,667,585

19 Financial commitments

At 31 December 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2013

	Land and buildings	
	2012	2011
	£	£
Operating leases which expire		
Within one year	-	54,809
Between two and five years	33,900	36,525
In over five years	90,200	-
	124,100	91,334

20 Directors' remuneration	2012 £	2011 £
Remuneration for qualifying services	1,227,575	1,220,718
Company pension contributions to defined contribution schemes	36,959	34,285
	1,264,534	1,255,003

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2011 - 4)

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

	2012 £	2011 £
Remuneration for qualifying services	338,004	335,429
Company pension contributions to defined contribution schemes	12,553	12,184

21 Employees

Number of employees

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

	2012 Number	2011 Number
Distribution	39	39
Administration	31	29
Sales	34	27
	104	95

Employment costs	2012 £	2011 £
Wages and salaries	3,606,196	3,129,154
Social security costs	403,653	346,896
Other pension costs	64,097	57,203
	4,073,946	3,533,253

22 Ultimate parent company

The ultimate controlling party is J E Story

23 Related party relationships and transactions

Dividends to Directors
The following directors received dividends in the year

	2012	2011
	£	£
J Story	-	289,211
N Baker	-	10,738
S Potter	-	4,295
	-	304,244