Registered number 103844

Asprey Holdings Limited

Directors' report and financial statements

For the year ended 31 March 2012

Asprey Holdings Limited

Company information

Directors	Mr P Byng Mr J Rigas Mr D Standen
Secretary	Mr C Meyering
Company number	103844
Registered office	167 New Bond Street London W1S 4AY
Independent auditors	Ferguson Maidment & Co Sardinia House 52 Lincoln's Inn Fields London WC2A 3LZ
Bankers	HSBC Bank PLC 8 Canada Square London E14 5HQ

Asprey Holdings Limited

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Asprey Holdings Limited

Directors' report
For the year ended 31 March 2012

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

Principal activities, future developments and review of business

The company acts as a holding company for the Asprey brand whose principal activities during the period have been, and will continue to be, those of goldsmiths, silversmiths, jewellers and retailers of jewellery, silver, leather, watches and luxury goods within the UK and worldwide

Despite ongoing global economic uncertainty with the debt crisis in the Eurozone and stagnating growth, turnover for the group has increased encouragingly by 6% year on year This was attributable largely to a strong store retail performance up 9% on the prior year Within the retail channel, sales across the key product categories of jewellery and silver performed ahead of last year up 27% and 16% respectively Sales of leather products were flat on the prior year Other key sales channels also performed ahead of last year Sales through the corporate sales channel were up 19% and through the bespoke/export channel up 24% on the prior year The group has also benefited from the launch of its new e-commerce enabled web site in October 2011 Franchise sales have declined on last year due principally to the closure of a store in Dubai

The operating loss of the group has been reduced significantly by 36% attributable to the improving sales performance as well as a 10% reduction in operating costs

The directors believe that the group is well positioned to break even in the near future

Going concern

The directors believe that, after making enquiries of their shareholders, they have a reasonable expectation that the company has adequate support to continue in operational existence for the foreseeable future The company has obtained a letter from its shareholder confirming that it will ensure that the company can meet its liabilities as they fall due for a period of at least 12 months from the date of signing these financial statements For this reason the directors continue to adopt the going concern basis in preparing these financial statements

Results and dividends

The loss for the year after taxation amounted to £8,913,823 (2011 - Profit £121,773,283), and has been transferred from/to reserves

The directors do not recommend the payment of a dividend (2011 £Nil)

Financial risk management

The group's activities expose it to a variety of financial risks such as foreign exchange risk, liquidity risk, credit risk and interest rate risk

Risk management is carried out by the board, who review the exposure of the group on an ongoing basis and put in place specific procedures to mitigate this risk where it is felt appropriate to do so

a) Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk arising from currency exposures Foreign exchange risk arises from commercial transactions, recognised assets and liabilities and net investments in foreign operations The group manages this risk by holding foreign currency bank accounts to ensure that the impacts of currency fluctuations on the group are reduced

b) Liquidity risk

The group maintains sufficient cash and credit lines to ensure that resources are available as required

Financial risk management (continued)

c) Credit risk

The group considers the credit risk to be low as credit sales are minimal and encouraged only with customers with good credit worthiness This together with repeat sales to regular customers limit the amount of credit exposure of the group

d) Interest rate risk

The group has no external bank borrowings as the shareholders provide all of the funding Whilst interest is being accrued on these loans, the interest rate exposure is not significant and fixed in certain instances

Key performance indicators

The group compares actual against forecast and prior year results At this stage in the group's restructuring this is considered to be the key performance indicator

Directors and their interests

The directors who served during the year, and up to the date of signing these financial statements, were

Mr D Standen
Mr J Rigas
Mr P Byng

Disabled persons

It is the policy of the group to support the employment of employees with disabilities wherever practicable and to ensure that, as far as possible, they share in the training, career development and promotion opportunities available to all employees

Staff information and consultation

Staff are kept fully informed of matters of interest through notice boards and a staff handbook A two-way process of informing and consulting staff operates through the line management structure

Environmental statement

In connection with the Royal Warrant held for His Royal Highness The Prince of Wales, a committee from all disciplines of the business, reviews environmental performance and promote best possible environmental management

Asprey Holdings Limited

Directors' report (continued)
For the year ended 31 March 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) The financial statements are required by law to give a true and fair view of the state of affairs of the company and group and of the surplus or deficit of income over expenditure of the group for that period In preparing these financial statements the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgments and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of each 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 each company and hence taking reasonable steps for the prevention and detection of fraud or other irregularities

The directors, at the date of this report, confirm that, as far as each director is aware, there is no relevant audit information of which the company's auditors are unaware Each director has taken all necessary steps to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

Ferguson Maidment & Co have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting

This report was approved by the board on 29 June 2012 and signed on its behalf

Paddy Byng

Paddy Byng
Director

Asprey Holdings Limited

Independent auditor's report to the shareholder of Asprey Holdings Limited

We have audited the group and parent company financial statements ("the financial statements") of Asprey Holdings Limited for the year ended 31 March 2012 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 shareholder as a body, in accordance with Chapter 3 of Section 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's shareholder 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 shareholder 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 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 circumstance and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by 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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2012 and of the group's 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Asprey Holdings Limited

Independent auditor's report to the shareholder of Asprey Holdings Limited (continued)

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

Vivek Kapoor
Senior Statutory Auditor
For and on behalf of
Ferguson Maidment & Co
Chartered Accountants
& Statutory Auditor

Sardinia House
52 Lincoln's Inn Fields
London
WC2A 3LZ

29 June 2012

Asprey Holdings Limited

Consolidated profit and loss account
For the year ended 31 March 2012

	Note	2012 £000	2011 £000
Turnover	2	**13,241**	12,505
Cost of sales		**(6,191)**	(7,675)
Gross profit		**7,050**	4,830
Administrative expenses	3,5,6	**(13,894)**	(15,279)
Restructuring costs	3	**-**	(179)
Operating loss	3	**(6,844)**	(10,628)
Non operating exceptional item (FRS3)	4	**-**	146,211
(Loss)/profit on ordinary activities before interest and taxation		**(6,844)**	135,583
Interest receivable and similar income	7	**1**	1
Interest payable and similar charges	8	**(2,066)**	(13,805)
(Loss)/profit on ordinary activities before taxation		**(8,909)**	121,779
Tax charge on loss on ordinary activities	10	**(5)**	(6)
(Loss)/profit for the financial year	20	**(8,914)**	121,773

All amounts relate to continuing operations

The notes on pages 11 to 24 form part of these financial statements

Asprey Holdings Limited

Statement of total recognised gains and losses
For the year ended 31 March 2012

	2012 £000	2011 £000
(Loss)/profit for the financial year	**(8,914)**	121,773
Foreign exchange gain/(loss)	**46**	(6,957)
Total recognised gains and losses relating to the year	**(8,868)**	114,816

Note of historical cost profits and losses
For the year ended 31 March 2012

	2012 £000	2011 £000
Reported (loss)/profit on ordinary activities before taxation	**(8,909)**	121,779
Historical cost (loss)/profit on ordinary activities before taxation	**(8,909)**	121,779
Historical cost (loss)/profit for the year retained after taxation	**(8,914)**	121,773

The notes on pages 11 to 24 form part of these financial statements

Asprey Holdings Limited

Consolidated balance sheet
As at 31 March 2012

		2012		2011	
	Note	**£000**	**£000**	£000	£000
Fixed assets					
Intangible fixed assets	12		**735**		833
Tangible fixed assets	13		**6,751**		7,091
			7,486		7,924
Current assets					
Stocks	15	**11,490**		12,185	
Debtors	16	**26,196**		24,137	
Cash at bank and in hand		**2,045**		3,016	
		39,731		39,338	
Creditors: amounts falling due within one year	17	**(27,163)**		(18,209)	
Net current assets			**12,568**		21,129
Total assets			**20,054**		29,053
Provision for liabilities and charges	18		**(132)**		(263)
Net assets			**19,922**		28,790
Capital and reserves					
Called up share capital	19		**125,011**		125,011
Share premium account	20		**19,540**		19,540
Profit and loss account	20		**(124,629)**		(115,761)
Total equity shareholders' funds	21		**19,922**		28,790

The financial statements were approved and authorised for issue by the board on 29 June 2012 and signed on its behalf

Paddy Byng

Paddy Byng
Director

The notes on pages 11 to 24 form part of these financial statements

Asprey Holdings Limited

Company balance sheet
As at 31 March 2012

		2012		2011	
	Note	**£000**	**£000**	£000	£000
Fixed assets					
Intangible fixed assets	12		**735**		833
Tangible fixed assets	13		**6,073**		6,538
Investments	14		**9,408**		11,820
			16,216		19,191
Current assets					
Debtors	16	**30,848**		24,615	
Cash at bank and in hand		**1,662**		2,743	
		32,510		27,358	
Creditors. amounts falling due within one year	17	**(25,187)**		(14,990)	
Net current assets			**7,323**		12,368
Total assets			**23,539**		31,559
Provision for liabilities and charges	18		**(34)**		(73)
Net assets			**23,505**		31,486
Capital and reserves					
Called up share capital	19		**125,011**		125,011
Share premium account	20		**19,540**		19,540
Profit and loss account	20		**(121,046)**		(113,065)
Total equity shareholders' funds	21		**23,505**		31,486

The financial statements were approved and authorised for issue by the board on 29 June 2012 and signed on its behalf

Paddy Byng

Paddy Byng
Director

Company Registration Number 103844

The notes on pages 11 to 24 form part of these financial statements

Asprey Holdings Limited

Consolidated cash flow statement
For the year ended 31 March 2012

	Note	2012 £000	2011 £000
Net cash outflow from operating activities	22	**(8,403)**	(8,154)
Returns on investments and servicing of finance	23	**(11)**	(12)
Taxation		**(5)**	(6)
Capital expenditure and financial investment	23	**(822)**	(523)
Cash outflow before financing		**(9,241)**	(8,695)
Financing	23	**8,270**	9,528
(Decrease)/increase in cash in the year		**(971)**	833

Reconciliation of net cash flow to movement in net funds
For the year ended 31 March 2012

	Note	2012 £000	2011 £000
(Decrease)/increase in cash in the year		**(971)**	833
Movement in net funds in the year		**(971)**	833
Net funds at 1 April 2011		**3,016**	2,183
Net funds at 31 March 2012	24	**2,045**	3,016

The notes on pages 11 to 24 form part of these financial statements

Notes to the financial statements
For the year ended 31 March 2012

1. Accounting policies

1 1 Basis of preparation of financial statements

These financial statements are prepared under the historical cost convention with the exception of the revaluation of leasehold properties (see note 1 5 below) and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom The principal accounting policies, which have been applied consistently throughout the year, are set out below

The directors have prepared a business plan including quarterly cashflow projections to June 2013 taking account of all significant conditions and events and mitigating factors that are relevant to the companies of the group to continue as going concerns The major shareholders of the ultimate parent company (Fleming Holdings Limited, John Rigas, Sciens Alternative Asset Recovery Fund II and Sciens International GP Holdco SECS) have reviewed these cashflow projections, and Fleming Holdings Limited and Sciens Special Situations Master Fund Limited (in its capacity as an indirect shareholder of the ultimate parent company) have provided a confirmation that they are in a position to and that they will continue to provide financial support to the group for a period of at least 12 months from the date of signing these financial statements

The directors believe that, supported by this confirmation, they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future For this reason they continue to adopt the going concern basis in preparing these financial statements

1 2 Basis of consolidation

The group financial statements consolidate Asprey Holdings Limited and its subsidiary undertakings up to 31 March 2012 The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed

1 3 Investments

Shares in subsidiaries are valued at historical cost less provision for permanent impairment The directors perform impairment reviews annually

1 4 Turnover

Turnover comprises the sale of goods to third parties, net of discounts and returns and exclusive of VAT, and royalties receivable from fellow group companies Revenue is recognised at the point of sale

1 5 Fixed assets, depreciation and amortisation

Tangible fixed assets are stated at historical cost or valuation, net of depreciation and provision for impairment Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation of the assets on a straight line basis over their estimated useful economic lives, as follows

1 **Accounting policies (continued)**

1 5 Fixed assets, depreciation and amortisation (continued)

Leasehold improvements	Over life of lease
Fixtures & fittings including plant and equipment and motor vehicles	Up to 10 years
IT development	3-5 years
Development costs	3 years

Museum assets and assets under construction are not depreciated

Trademark costs capitalised relate to external costs incurred in obtaining patents and trademark protection globally Trademarks are amortised on a straight-line basis over 10 years which is the period over which the group expects to benefit

1.6 Leasing and hire purchase

The rentals on the group's operating leases are charged to the profit and loss account on a straight-line basis over the lease term even if the payments are not made on such a basis

1 7 Stocks and work in progress

Stocks and work in progress are stated at the lower of historical purchase cost and net realisable value Cost includes materials, direct labour and an attributable proportion of direct overheads Net realisable value is based on estimated selling price, less further costs expected to be incurred prior to sale

From time to time agreements are entered into whereby goods are supplied on a consignment basis As the risks and rewards of these goods are not transferred to the company until they are sold, this stock is not recorded as an asset of the company No deposits are paid by the company under these agreements

1 8 Provisions

Provisions are recognised when the company has a present obligation as a result of a past event It is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation

1 9 Taxation

Corporation tax payable is provided on taxable profits at the current rate

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date Deferred tax is measured on an undiscounted basis

1. Accounting policies (continued)

1.10 Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at actual exchange rates as at the date of the transaction Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the year-end exchange rate Exchange differences on monetary items are taken to the profit and loss account

The balance sheets of overseas subsidiary undertakings are expressed in sterling at year-end exchange rates Profits and losses of overseas subsidiary undertakings are expressed in sterling at average exchange rates for the year Exchange differences arising on the translation of opening shareholders' funds are recorded as a movement on reserves

1 11 Research and development

Research and development costs are capitalised within tangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are depreciated on the straight-line basis over the anticipated life of the benefits arising from the completed product or project

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the profit and loss account

1.12 Pensions

The group operated two principal pension schemes during the period, one being a defined benefit scheme providing benefits based on final pensionable salary, the other being a defined contribution scheme The assets of defined benefit schemes are held separately from those of the group in separate trustee administered funds Refer to note 25 for further information For the defined contribution scheme the amount charged to the profit and loss account is equal to the amount paid by the Group

1 13 Goodwill

Goodwill represents the difference between the cost of acquisition of subsidiary undertakings and the fair value of the identifiable assets and liabilities acquired Purchased goodwill arising on acquisition is treated as an asset on the balance sheet and amortised over its useful economic life

1 14 Related party transactions

The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Asprey Holdings Limited group All other material related party transactions are disclosed in note 27

1 15 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

Notes to the financial statements
For the year ended 31 March 2012

2 Turnover

Turnover represents sales of goods and services outside the group net of discounts and allowances and value added taxation and includes commission earned

Turnover by origin is analysed by activity below

	2012 £000	2011 £000
Luxury goods and services	13,241	12,505

Turnover by origin is analysed by geographical area below

	2012 £000	2011 £000
United Kingdom	12,618	11,525
Far East	623	980
	13,241	12,505

Turnover by destination is analysed below

	2012 £000	2011 £000
United Kingdom	9,117	8,563
USA	723	515
Far East	743	1,103
Europe	447	361
Middle East	2,096	1,875
Other	115	88
	13,241	12,505

3. Operating loss

The operating loss of £6,843,755 (2011 £10,627,221) is stated after charging/(crediting)

	2012 £000	2011 £000
Exchange gain	(131)	(31)
Amortisation of intangible fixed assets	183	177
Depreciation of tangible fixed assets	1,078	1,135
Loss on disposal of fixed assets	1	58
Operating lease rentals		
- other	13	31
- land and buildings	3,346	3,534
Auditor's remuneration – audit	71	71
Restructuring costs (see note 18)	-	179

3. Operating loss (continued)

During the year the group recorded an exchange gain of £131,396 (2011 £30,530) that arises on translation of foreign currency assets and liabilities Auditor's remuneration for tax and other advisory services were £31,000 (2011 £31,000)

4. Non operating exceptional item (FRS3)

As a result of a group debt restructuring at the previous year end, Asprey International Limited, the group's parent company has written off in part its intercompany balance with Asprey Holdings Limited This has resulted in a credit of £Nil (2011 credit £146,211,000) in the profit and loss account of the group Furthermore Asprey Holdings Limited wrote off in part the intercompany balance with its subsidiary, Asprey London Limited This resulted in a debit of £Nil (2011 £24,731,000) in the profit and loss account of Asprey Holdings Limited, and a credit of £Nil (2011 credit of £38,325,000) in the profit and loss account of Asprey London Limited

5 Staff costs

Staff costs were as follows

	2012 £000	2011 £000
Wages and salaries	**3,814**	3,842
Social security costs	**438**	438
Other pension costs	**268**	294
	4,520	4,574

The group made contributions to defined contribution schemes of £268,000 (2011 £294,000) This amount represents a contribution that averages 6 3% (2011 6 9%) of the gross salary of the employees The outstanding contribution at the balance sheet date is £21,610 (2011 £29,882) The average monthly number of employees, including the directors, during the year was as follows

	2012 No.	2011 No
Management and administration	**52**	52
Manufacturing	**10**	11
Retail operations	**25**	32
	87	95

6. Directors' remuneration

	2012 £000	2011 £000
Aggregate emoluments	**226**	138
Value of company pension contributions to money purchase schemes	**25**	-
	251	138

The number of directors who accrued benefits under company (money purchase) pension schemes was 1 (2011 none) The highest paid director received remuneration of £251,068 (2011 £91,168)

7. Interest receivable and similar income

	2012 £000	2011 £000
Bank interest receivable	1	1

8 Interest payable and similar charges

	2012 £000	2011 £000
On group financing (note 17)	2,054	13,792
Other interest payable	12	13
	2,066	13,805

9 Deferred taxation

A deferred tax asset has not been recognised in these financial statements on tax losses carried forward as, in the opinion of the Directors, it is unlikely that these losses will reverse in the foreseeable future The total unrecognised deferred tax asset for the company relating to capital allowances, trading losses, excess capital losses and non-trading deficits on loan relationships as at 31 March 2012 is £47,010,846 (2011 £47,521,237)

10. Taxation

	2012 £000	2011 £000
Overseas taxation	5	6

Factors affecting tax charge for year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK applicable to the group of 26% (2011 - 28%) The differences are explained below

	2012 £000	2011 £000
(Loss)/profit on ordinary activities before tax	(8,909)	121,779
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%)	(2,316)	34,098
Effects of		
Expenses and provisions not deductible for tax purposes	113	(36,743)
Capital allowances for the year less than depreciation	161	226
Loan relationship trading adjustment	542	-
Overseas taxation	5	6
Losses brought forward	(67,729)	(65,310)
Effect of lower rate of tax on losses brought forward	5,083	-
Effect of foreign exchange movement on losses brought forward	(75)	-
Effect of losses not previously recognised	(6,195)	-
Losses brought forward no longer available for relief	368	-
Losses carried forward	70,048	67,729
Total current tax charge for the year	5	6

Factors that may affect future tax charges

As at the balance sheet date the group has taxable losses carried forward of £269,414,947 (2011 - £241,890,723)

11 Profit attributable to Asprey Holdings Limited

The loss before taxation for the financial year dealt with in the financial statements of the parent company, Asprey Holdings Limited, was £8,152,142 (2011 - profit £116,069,796) No separate profit and loss account is presented for Asprey Holdings Limited, as provided by Section 408 of the Companies Act 2006

12. Intangible fixed assets

	Trademarks
Group and company	**£000**
Cost	
At 1 April 2011	1,782
Additions	85
At 31 March 2012	**1,867**
Amortisation	
At 1 April 2011	949
Charge for the year	183
At 31 March 2012	**1,132**
Net book value	
At 31 March 2012	**735**
At 31 March 2011	833

Notes to the financial statements
For the year ended 31 March 2012

13 Tangible fixed assets

Group

	Leasehold improvements £000	IT development & E Commerce £000	Assets under construction £000	Fixtures and fittings £000	Museum assets £000	Development costs £000	Total £000
Cost or valuation							
At 1 April 2011	7,477	147	25	8,460	318	4,059	20,486
Restatement of opening balance	11	-	-	(15)	-	-	(4)
Additions	59	90	221	11	-	357	738
Disposals	-	(19)	-	-	-	(3,135)	(3,154)
Foreign exchange	9	-	-	1	-	-	10
Reclassifications	-	-	-	-	-	(1)	(1)
At 31 March 2012	**7,556**	**218**	**246**	**8,457**	**318**	**1,280**	**18,075**
Depreciation							
At 1 April 2011	2,286	107	-	7,434	-	3,568	13,395
Restatement of opening balance	11	-	-	(13)	-	-	(2)
Charge for the year	358	39	-	365	-	316	1,078
Disposals	-	(19)	-	-	-	(3,135)	(3,154)
Foreign exchange	6	-	-	1	-	-	7
At 31 March 2012	**2,661**	**127**	**-**	**7,787**	**-**	**749**	**11,324**
Net book value							
At 31 March 2012	**4,895**	**91**	**246**	**670**	**318**	**531**	**6,751**
At 31 March 2011	5,191	40	25	1,026	318	491	7,091

Company

	Leasehold improvements £000	IT development costs £000	Asset under construction £000	Fixtures and fittings £000	Museum assets £000	Development costs £000	Total £000
Cost or valuation							
At 1 April 2011	7,060	110	25	6,535	318	4,060	18,108
Additions	-	22	7	4	-	357	390
Disposals	-	-	-	-	-	(3,135)	(3,135)
Reclassification	-	-	-	-	-	(2)	(2)
Transfer to subsidiary	-	-	(32)	-	-	-	(32)
At 31 March 2012	**7,060**	**132**	**-**	**6,539**	**318**	**1,280**	**15,329**
Depreciation							
At 1 April 2011	1,947	71	-	5,984	-	3,568	11,570
Charge for the year	320	22	-	163	-	316	821
Disposals	-	-	-	-	-	(3,135)	(3,135)
At 31 March 2012	**2,267**	**93**	**-**	**6,147**	**-**	**749**	**9,256**
Net book value							
At 31 March 2012	**4,793**	**39**	**-**	**392**	**318**	**531**	**6,073**
At 31 March 2011	5,113	39	25	551	318	492	6,538

Capital commitments

	2012 £000	2011 £000
Capital commitments - approved but not contracted	**850**	-

Notes to the financial statements
For the year ended 31 March 2012

14. Investments in subsidiaries

	Shares in group undertakings £000
Company	
Cost	
At 1 April 2011	22,761
Disposals	(1,307)
At 31 March 2012	**21,454**
Impairment	
At 1 April 2011	(10,941)
Disposals	1,307
Impairment provision	(2,412)
At 31 March 2012	**(12,046)**
Net book value	
At 31 March 2012	**9,408**
At 1 April 2011	11,820

The directors have reviewed the carrying value of the company's investments in subsidiary undertakings and have assessed that, based upon an evaluation of net assets at the balance sheet date and the projected results of the businesses, the realisable value of the investments is not less than £9,408,198

The subsidiary undertakings of Asprey Holdings Limited at the balance sheet date are listed below

Subsidiary Companies	Country of Incorporation	Percentage owned & voting rights
Asprey London Limited	England and Wales	100%
Asprey Mayfair Limited	England and Wales	100%
Asprey Polo Limited	England and Wales	100%
J W Benson Limited	England and Wales	100%
Asprey Holdings BV	The Netherlands	100%
Asprey SA	Switzerland	100%
Asprey Japan Limited	Japan	100%

The activities of the principal subsidiary undertaking are those of goldsmiths, silversmiths, jewellers and retailers of luxury goods All subsidiaries are included in the consolidated financial statements

Asprey Holdings Limited

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For the year ended 31 March 2012

15 Stocks, Net of provision

	Group	
	2012	2011
	£000	£000
Raw materials	**1,611**	1,358
Work in progress	**97**	238
Finished goods and goods for resale	**9,782**	10,589
	11,490	12,185

The company holds no stock At 31 March 2012, the amount of consignment stock held by the group was £2,939,000 (2011 £3,312,000) Consignment stock is not in the balance sheet as ownership is not transferred until the point of sale

16 Debtors

	Group		Company	
	2012	2011	**2012**	2011
	£000	£000	**£000**	£000
Due within one year				
Trade debtors	**373**	308	**-**	-
Amounts owed by group undertakings	**24,656**	22,204	**30,630**	24,437
Other debtors	**196**	637	**111**	64
Prepayments and accrued income	**971**	988	**107**	114
	26,196	24,137	**30,848**	24,615

Amounts owed by group undertakings are unsecured, interest free and repayable on demand

17. Creditors Amounts falling due within one year

	Group		Company	
	2012	2011	**2012**	2011
	£000	£000	**£000**	£000
Trade creditors	**2,562**	3,380	**822**	764
Amounts owed to group undertakings	**22,569**	12,248	**23,380**	12,970
Social security and other taxes	**119**	118	**65**	44
Other creditors	**339**	539	**266**	483
Accruals and deferred income	**1,574**	1,924	**654**	729
	27,163	18,209	**25,187**	14,990

Amounts due to group undertakings are unsecured, interest free and repayable on demand except those due to Asprey International Limited

The shareholders have provided certain convertible loans to Asprey International Limited, the ultimate holding company within the group At the balance sheet date, Asprey International Limited has provided loans to the group under this arrangement amounting to US$20,554,350 (2011 US$7,313,337) on which cumulative accrued interest amounts to $15,561,035 (2011 $12,283,897) At the balance sheet date interest is being accrued at 5% per annum

The shareholders loans are secured and the rights of the shareholders are subject to the terms of a certain Second Amended and Restated Intercreditor and Subordination Agreement dated 12 December 2011

18 Provision for liabilities and charges

Restructuring Provision	Group £000	Company £000
As at 1 April 2011	263	73
Utilised during the year	(131)	(39)
As at 31 March 2012	**132**	**34**

During the year £131,000 (2011 £39,000) of the provision for redundancy and related costs was utilised

19. Share capital

	2012 £000	2011 £000
Authorised		
125,011,000 ordinary shares of £1 each	**125,011**	125,011
Allotted, called up and fully paid		
125,011,000 ordinary shares of £1 each	**125,011**	125,011

20 Reserves

Group	Share premium account £000	Profit and loss account £000
At 1 April 2011	19,540	(115,761)
Loss for the financial year	-	(8,914)
Foreign exchange	-	46
At 31 March 2012	**19,540**	(124,629)

Company	Share premium account £000	Profit and loss account £000
At 1 April 2011	19,540	(113,065)
Loss for the financial year	-	(8,152)
Foreign exchange	-	171
At 31 March 2012	**19,540**	(121,046)

Asprey Holdings Limited

Notes to the financial statements
For the year ended 31 March 2012

21 Reconciliation of movement in shareholders' funds

Group	**2012 £000**	2011 £000
(Loss)/profit for the financial year	**(8,914)**	121,773
Foreign exchange gain/(loss)	**46**	(6,957)
	(8,868)	114,816
Opening equity shareholders' funds	**28,790**	(86,026)
Closing equity shareholders' funds	**19,922**	28,790

Company		
(Loss)/profit for the financial year	**(8,152)**	116,070
Foreign exchange gain	**171**	2,810
	(7,981)	118,880
Opening equity shareholders' funds	**31,486**	(87,394)
Closing equity shareholders' funds	**23,505**	31,486

22 Net cash flow from operations

	2012 £000	2011 £000
Operating loss	**(6,844)**	(10,628)
Amortisation of intangible fixed assets	**183**	177
Depreciation of tangible fixed assets	**1,078**	1,135
Inter group debt restructuring credit	**-**	146,211
Decrease in stocks	**695**	2,427
Foreign exchange movements	**46**	(6,957)
(Increase)/decrease in debtors	**(2,059)**	10,141
(Decrease) in creditors	**(1,370)**	(150,861)
(Decrease)/increase in provisions	**(131)**	128
Net loss on disposals of fixed assets	**1**	58
Other tangible fixed asset movements	**(2)**	15
Net cash outflow from operations	**(8,403)**	(8,154)

23. Analysis of cash flows for headings netted in the cash flow statement

	2012 £000	2011 £000
Returns on investments and servicing of finance		
Interest received	**1**	1
Interest paid	**(12)**	(13)
Net cash outflow from returns on investments and servicing of finance	**(11)**	(12)

23 Analysis of cash flows for headıngs netted ın the cash flow statement (contınued)

	2012 £000	2011 £000
Capıtal expendıture and fınancıal ınvestment		
Purchase of tangıble fıxed assets	**(737)**	(444)
Purchase of ıntangıble fıxed assets	**(85)**	(79)
Net cash outflow from capıtal expendıture	**(822)**	(523)

	2012 £000	2011 £000
Financing		
Parent company fınancıng receıved	**8,270**	9,528

24. Analysis of changes ın net debt

	1 Aprıl 2011 £000	Cash flow £000	**31 March 2012 £000**
Cash at bank and in hand and net funds	3,016	(971)	**2,045**

Cash at bank ıncludes $2,452,000 (2011 $2,516,000) of monıes held on escrow by HSBC to guarantee a lease on behalf of a fellow group subsıdıary company ın the USA, Asprey Lımıted

25. Pension commitments

The Asprey Defıned Benefit Pensıon Scheme was closed to new entrants wıth effect from 30 September 2003 and to future accrual of benefits for exıstıng members from 31 March 2004 A new defıned contrıbutıon scheme, to whıch the employer contrıbutes, was ıntroduced wıth effect from 1 Aprıl 2004

Under s160 of the Pensıon Act 2004, the Defıned Benefıt Scheme transferred ın to the Pensıon Protectıon Fund on 18 August 2008 and ın accordance wıth s161 of the Pensıon Act 2004, the Trustees were dıscharged of theır pensıon oblıgatıons

26. Operatıng lease commıtments

At 31 March 2012 the group had annual commıtments under non-cancellable operatıng leases as follows

	Land and buildings		Other	
	2012	2011	**2012**	2011
Group	**£000**	£000	**£000**	£000
Expiry date				
Wıthın 1 year	**167**	97	**-**	2
Between 2 and 5 years	**191**	147	**13**	9
After more than 5 years	**3,005**	3,005	**-**	-

27. Related party transactions

As part of theır employment contract employees, as well as dırectors and shareholders of the group, can purchase goods at a dıscount The amounts of goods purchased by the dırectors and shareholders are not consıdered materıal eıther to the group or the ındıvıduals at the balance sheet date There were no other transactıons between these ındıvıduals and the group

27 Related party transactions (continued)

In addition, the group and company has the following net inter group receivable/(payable) balances with fellow group subsidiaries outside of the Asprey Holdings Limited group

		Group		Company	
Name of Company	**Nature of balance**	**2012 £'000**	2011 £'000	**2012 £'000**	2011 £'000
Asprey Limited	Trading/Financing	**20,341**	17,876	**13,244**	11,803
Asprey International Limited	Financing	**(21,943)**	(11,574)	**(22,569)**	(12,196)
Asprey Worldwide Holdings Limited	Financing	**3,420**	3,401	**3,379**	3,361

The principal inter group sales/(purchases) arising during the year were as follows

		Group		Company	
Name of Company	**Nature of transaction**	**2012 £'000**	2011 £'000	**2012 £'000**	2011 £'000
Asprey Limited	Sale of products/Service and procurement fees	**128**	109	**96**	76
Asprey International Limited	Interest	**(2,054)**	(13,792)	**(2,054)**	(13,792)

28. Ultimate parent undertaking and controlling parties

At the balance sheet date the immediate parent company of Asprey Holdings Limited is Asprey Worldwide Holdings Limited, a company registered in the British Virgin Islands The ultimate parent company undertaking is Asprey International Limited, a company registered in the Cayman Islands

At the balance sheet date the ultimate principal shareholders are Sciens Alternative Assets Recovery Fund II (32 9%), Fleming Holdings Limited (26 5%), John Rigas (18 9%) and Sciens International GP Holdco SECS (14 6%)