

Asprey Holdings Limited
Financial Statements
31 March 2016



FERGUSON MAIDMENT & CO.
Chartered Accountants & statutory auditor
167 Fleet Street
London
EC4A 2EA

Asprey Holdings Limited

Financial Statements

Year ended 31 March 2016

Contents	Page
Officers and professional advisers	1
Strategic report	2
Director's report	4
Director's responsibilities statement	6
Independent auditor's report to the shareholder	7
Consolidated statement of comprehensive income	9
Consolidated statement of financial position	10
Company statement of financial position	11
Consolidated statement of changes in equity	12
Company statement of changes in equity	13
Consolidated statement of cash flows	14
Notes to the financial statements	15-27

Asprey Holdings Limited

Officers and Professional Advisers

Director	Mr J Rigas Mr D Standen
Company secretary	Mr C Meyering
Registered office	167 Fleet Street London EC4A 2EA
Auditor	Ferguson Maidment & Co. Chartered Accountants & statutory auditor 167 Fleet Street London EC4A 2EA
Bankers	HSBC Bank PLC 8 Canada Square London E14 5HQ

Asprey Holdings Limited

Strategic Report

Year ended 31 March 2016

Principal activities and business review

The company acts as a holding company for the Asprey brand whose principal activities during the year 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.

The turnover for the year has increased by 44.3%.

Our operating costs increased by 6.2% versus our prior year due to rent renewal for our New Bond Street store. The operating costs excluding rent decreased by 6.7% even though we had significant sales growth.

Accordingly, the operating loss for the year decreased by 34.1% compared to last year.

In May 2014 we have entered into an exclusive dealer agreement with Bovet Fleurier S.A. to sell Bovet watches in our New Bond Street store. We broadened this agreement to other countries during the fiscal year.

We have started selling Rolex watches at our New Bond Street store effective June 2015. We have also introduced a new collection of Asprey branded watches at the end of the fiscal year.

Financial risk management and key performance indicators

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.

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 external bank borrowings in addition to the funds provided by the shareholders. Whilst interest is being accrued on the shareholder loans, the interest rate exposure is not significant and fixed in certain instances.

Asprey Holdings Limited

Strategic Report

Year ended 31 March 2016

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.

This report was approved by the board of directors on 24 June 2016 and signed on behalf of the board by:



Mr J Rigas
Director

Registered office:
167 New Bond Street
London
W1S 4AY

Asprey Holdings Limited

Director's Report

Year ended 31 March 2016

The directors present their report and the audited financial statements for the year ended 31 March 2016.

Future developments

Although the company is loss making, the Asprey brand is in a strong financial position and will continue its strategy to break even without impacting the image and potential of the brand.

Results and dividends

The loss for the year after taxation amounted to £14,225,572 (2015 - Loss £11,780,238), and has been transferred from/to reserves.

The directors do not recommend the payment of a dividend (2015: £Nil).

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

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. For this reason the directors continue to adopt the going concern basis in preparing these financial statements.

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.

Strategic report

Review of the business, financial risk management and key performance indicators are included in the strategic report.

Disclosure of branches outside the UK

We have a retail branch in St Moritz, Switzerland.

Asprey Holdings Limited

Director's Report

Year ended 31 March 2016

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 of directors on 24 June 2016 and signed on behalf of the board by:



Mr J Rigas
Director

Registered office:
167 New Bond Street
London
W1S 4AY

Asprey Holdings Limited

Director's Responsibilities Statement

Year ended 31 March 2016

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Practice (United Kingdom Generally Accepted Accounting Standards), including Financial Reporting Standard 102 The financial Reporting Standard Applicable in the UK and republic of Ireland (FRS 102).

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 group and of the profit and loss of the company 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;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of the disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and group 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 group and hence taking reasonable steps for the prevention and detection of fraud or other irregularities.

Asprey Holdings Limited

Independent Auditor's Report to the Shareholder of Asprey Holdings Limited

Year ended 31 March 2016

We have audited the financial statements of Asprey Holdings Limited for the year ended 31 March 2016, on pages 9 to 27. 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 part 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 director and auditor

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2016 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and 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)

Year ended 31 March 2016

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's 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

167 Fleet Street
London
EC4A 2EA

24 June 2016

Asprey Holdings Limited

Consolidated Statement of Comprehensive Income

Year ended 31 March 2016

	Note	2016 £000	2015 £000
Turnover	3	22,091	15,311
Cost of sales		(12,691)	(8,701)
Gross profit		9,400	6,610
Administrative expenses		(12,881)	(12,511)
Operating loss	4	(3,481)	(5,901)
Finance costs		(1,421)	-
Interest payable	7	(9,324)	(5,879)
Loss on ordinary activities before taxation		(14,226)	(11,780)
Taxation on ordinary activities	8	-	-
Loss for the financial year		(14,226)	(11,780)

All the activities of the group are from continuing operations.

The notes on pages 15 to 27 form part of these financial statements.

Asprey Holdings Limited

Consolidated Statement of Financial Position

31 March 2016

	Note	2016 £000	2015 £000
Fixed assets			
Intangible assets	10	411	493
Tangible assets	11	5,818	5,923
		<u>6,229</u>	<u>6,416</u>
Current assets			
Stocks	13	11,656	9,644
Debtors	14	52,512	37,119
Cash at bank and in hand		3,142	1,938
		<u>67,310</u>	<u>48,701</u>
Creditors: amounts falling due within one year	15	<u>(96,329)</u>	<u>(69,420)</u>
Net current liabilities		<u>(29,019)</u>	<u>(20,719)</u>
Total assets less current liabilities		<u>(22,790)</u>	<u>(14,303)</u>
Creditors: amounts falling due after more than one year	16	(7,116)	-
Net assets		<u>(29,906)</u>	<u>(14,303)</u>
Capital and reserves			
Called up share capital	19	125,011	125,011
Share premium account	19	19,540	19,540
Profit and loss account	20	(174,457)	(158,854)
Shareholder funds		<u>(29,906)</u>	<u>(14,303)</u>

These financial statements were approved by the board of directors and authorised for issue on 24 June 2016, and are signed on behalf of the board by:

Mr J Rigas
Director

Company registration number: 103844

The notes on pages 15 to 27 form part of these financial statements.

Asprey Holdings Limited

Company Statement of Financial Position

31 March 2016

	Note	2016 £000	2015 £000
Fixed assets			
Intangible fixed assets	10	411	493
Tangible assets	11	4,391	4,544
Investments	12	362	1,882
		<u>5,164</u>	<u>6,919</u>
Current assets			
Debtors	14	50,596	42,526
Cash at bank and in hand		2,270	1,746
		<u>52,866</u>	<u>44,272</u>
Creditors: amounts falling due within one year	15	<u>(84,369)</u>	<u>(64,376)</u>
Net current liabilities		<u>(31,503)</u>	<u>(20,104)</u>
Total assets less current liabilities		<u>(26,339)</u>	<u>(13,185)</u>
Creditors: amounts falling due after more than one year	16	<u>-</u>	<u>-</u>
Net assets		<u>(26,339)</u>	<u>(13,185)</u>
Capital and reserves			
Called up share capital	19	125,011	125,011
Share premium account	19	19,540	19,540
Profit and loss account	20	(170,890)	(157,736)
Shareholder funds		<u>(26,339)</u>	<u>(13,185)</u>

These financial statements were approved by the board of directors and authorised for issue on 24 June 2016, and are signed on behalf of the board by:


 Mr J Rigas
 Director

Company registration number: 103844

The notes on pages 15 to 27 form part of these financial statements.

Asprey Holdings Limited

Consolidated Statement of Changes in Equity

Year ended 31 March 2016

	Note	Called up share capital £000	Share Premium account £000	Profit and loss account £000	Total £000
At 1 April 2014		125,011	19,540	(143,699)	852
Loss for the year				(11,780)	(11,780)
Other comprehensive income for the year:					
Foreign exchange effect		-		(3,375)	(3,375)
Total comprehensive income for the year		-	-	(15,155)	(15,155)
At 31 March 2015		125,011	19,540	(158,854)	(14,303)
Loss for the year				(14,226)	(14,226)
Other comprehensive income for the year:					
Foreign exchange effect			-	(1,377)	(1,377)
Total comprehensive income for the year		-	-	(15,603)	(15,603)
At 31 March 2016		<u>125,011</u>	<u>19,540</u>	<u>(174,457)</u>	<u>(29,906)</u>

The notes on pages 15 to 27 form part of these financial statements.

Asprey Holdings Limited

Company Statement of Changes in Equity

Year ended 31 March 2016

	Called up share capital £000	Share Premium account £000	Profit and loss account £000	Total £000
At 1 April 2014	125,011	19,540	(141,167)	3,384
Loss for the year			(13,086)	(13,086)
Other comprehensive income for the year:				
Foreign exchange effect			(3,483)	(3,483)
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>(16,569)</u>	<u>(16,569)</u>
At 31 March 2015	125,011	19,540	(157,736)	(13,185)
Loss for the year			(12,224)	(12,224)
Other comprehensive income for the year:				
Foreign exchange effect			(930)	(930)
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>(13,154)</u>	<u>(13,154)</u>
At 31 March 2016	<u>125,011</u>	<u>19,540</u>	<u>(170,870)</u>	<u>(26,339)</u>

The notes on pages 15 to 27 form part of these financial statements.

Asprey Holdings Limited

Consolidated Statement of Cash Flows

Year ended 31 March 2016

	2016 £000	2015 £000
Cash flows from operating activities		
Loss for the financial year	(3,481)	(5,901)
<i>Adjustments for:</i>		
Depreciation of tangible assets	768	962
Amortisation of intangible assets	123	140
(Increase)/Decrease in stock	(2,012)	2,447
Decrease in debtors	-	-
Increase in creditors	-	-
Decrease in provisions	-	(25)
Other tangible fixed asset movements	28	45
<i>Changes in:</i>		
Trade and other debtors	(15,393)	(4,597)
Trade and other creditors	279	1,996
Cash generated from operations	(19,688)	(4,933)
Finance cost	(1,421)	-
Interest paid	(939)	(12)
Interest received	-	1
Net cash from operating activities	(2,360)	(11)
Cash flows from investing activities		
Purchase of tangible assets	(693)	(310)
Purchases of intangible fixed assets	(41)	(32)
Net cash used in investing activities	(734)	(342)
Cash flows from financing activities		
Proceeds from borrowings	7,116	-
Parent company financing received	16,870	5,497
Net cash from financing activities	23,986	5,497
Net increase in cash and cash equivalents	1,204	211
Cash and cash equivalents at beginning of year	1,938	1,727
Cash and cash equivalents at end of year	3,142	1,938

The notes on pages 15 to 27 form part of these financial statements.

Asprey Holdings Limited

Notes to the Financial Statements

Year ended 31 March 2016

1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

2. Accounting policies

Basis of preparation

These financial statements are prepared under the historical cost convention 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 monthly cash flow projections to June 2017 taking account of all significant conditions and events and mitigating factors that are relevant to the companies of the group to continue as going concern.

The directors believe that they have a reasonable expectation that the group 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.

Basis of consolidation

The group financial statements consolidate Asprey Holdings Limited and its subsidiary undertakings up to 31 March 2016. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 26.

Consolidation

The financial statements consolidate the financial statements of Asprey Holdings Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied or services rendered, stated net of returns, discounts and of Value Added Tax.

The company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that the future economic benefits will flow to the entity and (e) when the specific criteria relating to the each of the company's sales channels have been met, as described below.

The company operates retail shops for the sale of luxury goods and certain related products.

Asprey Holdings Limited

Notes to the Financial Statements

Year ended 31 March 2016

2. Accounting policies *(continued)*

Revenue recognition *(continued)*

Sales of goods are recognised on sale to the customer, which is considered the point of delivery. Retail sales are usually by cash, credit or payment card.

Sales are made to retail customers with the right to return within 28 days, subject to certain conditions regarding the usage. Accumulated experience is used to estimate and provide for such returns at the time of sale.

The company sells goods via its website for delivery to the customer. Revenue is recognised when the risks and rewards of the inventory is passed to the customer. For deliveries to the customer this is the point of acceptance of goods by the customer. Transactions are settled by credit or payment card.

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.

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.

Pensions

The company participated in 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 18 for further information. For the defined contribution scheme the amount charged to the profit and loss account is equal to the contributions paid by the company.

Asprey Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2016

2. Accounting policies *(continued)*

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 group until they are sold, this stock is not recorded as an asset of the group. No deposits are paid by the group under these agreements.

Tangible assets

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:

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.

Investments

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

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Asprey Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2016

2. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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.

3. Turnover

Turnover arises from:

	2016 £000	2015 £000
Sale of goods/service	<u>22,091</u>	<u>15,311</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

4. Operating profit

Operating profit or loss is stated after charging:

	2016 £000	2015 £000
Amortisation of intangible assets	123	140
Depreciation of tangible assets	768	962
Foreign exchange differences	50	84
Operating lease rentals	<u>4,672</u>	<u>3,269</u>

5. Auditor's remuneration

	2016 £000	2015 £000
Fees payable for the audit of the financial statements	<u>71</u>	<u>71</u>
Fees payable to the company's auditor and its associates for other services:		
Taxation advisory services	<u>31</u>	<u>31</u>

Asprey Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2016

6. Particulars of employees

The average number of persons employed by the group during the year, including the director, amounted to:

	2016 £000	2015 £000
Administrative and managerial staff	51	60
Manufacturing	9	9
Retail operations	17	15
	<u>77</u>	<u>84</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2016 £000	2015 £000
Wages and salaries	3,077	3,383
Social security costs	338	369
Other pension costs	188	202
	<u>3,603</u>	<u>3,954</u>

7. Interest payable

	2016 £000	2015 £000
Interest on banks loans and overdrafts	898	-
Interest on group financing	8,383	5,868
Other interest payable and similar charges	43	11
	<u>9,324</u>	<u>5,879</u>

9. Taxation

	2016 £000	2015 £000
Taxation	-	-

Factors affecting tax charge for year

The tax assessed for the year is the standard rate of corporation tax in the UK applicable to the group of 20% (2015 - 21%). The differences are explained below:

Asprey Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2016

9. Taxation (continued)

	2016	2015
	£000	£000
Loss on ordinary activities before tax	(14,226)	(11,780)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	(2,845)	(2,474)
Effects of:		
Expenses and provisions not deductible for tax purposes	7	9
Capital allowances for the year less than depreciation	152	189
Loan relationship trading adjustment	1,687	1,234
Overseas taxation	-	-
Losses brought forward	(60,630)	(64,572)
Effect of lower rate of tax on losses brought forward	2,887	5,615
Effect of foreign exchange movement on losses brought forward	(103)	168
Effect of losses not previously recognised	(1,687)	(1,234)
Losses brought forward no longer available for relief	251	435
Losses carried forward	60,281	60,630
Total current tax charge for the year	-	-

Factors that may affect future tax charges

As at the balance sheet date the group has taxable losses carried forward of £298,244,886 (2015 - £288,716,796).

9. Loss for the year of the parent company

The loss for the financial year of the parent company was £12,224,668 (2015: £13,085,820).

10. Intangible assets

Group and company

	Trademarks £000
Cost	
At 1 April 2015	2,112
Additions	41
At 31 March 2016	2,153
Amortisation	
At 1 April 2015	1,619
Charge for the year	123
At 31 March 2016	1,742
Net book value	
At 31 March 2016	411
At 31 March 2015	493

Asprey Holdings Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2016

11. Tangible 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 2015	8,045	341	421	8,491	318	1,979	19,595
Additions	-	36	427	2	-	228	693
Disposals	-	-	-	(1,449)	-	(248)	(1,697)
Foreign exchange	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
At 31 March 2016	8,045	377	848	7,044	318	1,959	18,591
Depreciation							
At 1 April 2015	3,723	286	-	8,006	-	1,657	13,672
Charge for the year	352	36	-	164	-	216	768
Disposals	(3)	-	-	(1,448)	-	(216)	(1,667)
Reclassifications	-	-	-	-	-	-	-
At 31 March 2016	4,072	322	-	6,722	-	1,657	12,773
Net book value							
At 31 March 2016	3,973	55	848	322	318	302	5,818
At 31 March 2015	4,323	55	421	486	318	322	5,923
Company	Leasehold improvements £000	IT development costs £000	Assets under construction £000	Fixtures and fittings £000	Museum assets £000	Development costs £000	Total £000
Cost or valuation							
At 1 April 2015	7,060	251	-	6,540	318	1,980	16,149
Additions	-	22	210	-	-	228	460
Disposals	-	-	-	(1,449)	-	(248)	(1,697)
Reclassification	-	-	-	-	-	-	-
At 31 March 2016	7,060	273	210	5,091	318	1,960	14,912
Depreciation							
At 1 April 2015	3,228	195	-	6,524	-	1,658	11,605
Charge for the year	320	35	-	12	-	216	583
Disposals	(3)	-	-	(1,448)	-	(216)	(1,667)
Reclassification	-	-	-	-	-	-	-
At 31 March 2016	3,545	230	-	5,088	-	1,658	10,521
Net book value							
At 31 March 2016	3,515	43	210	3	318	302	4,391
At 31 March 2015	3,832	56	-	16	318	322	4,544

Asprey Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2016

12. Investments

Company	Shares in group undertakings £000
Cost	
At 1 April 2015	21,315
Additions	-
At 31 March 2016	21,315
Impairment	
At 1 April 2015	(19,433)
Impairment provision	(1,520)
At 31 March 2016	(20,953)
Carrying amount	
At 31 March 2016	362
At 31 March 2015	1,882

Subsidiaries, associates and other investments

Details of the investments in which the group and the parent company have an interest of 20% or more are as follows:

Subsidiary undertakings	Country of incorporation	Class of share	Percentage of shares held
Asprey London Limited	England and Wales	Ordinary	100
Asprey London Watches Limited	England and Wales	Ordinary	100
Asprey Japan Limited	Japan	Ordinary	100
Asprey Mayfair Limited	England and Wales	Ordinary	100
Asprey Polo Limited	England and Wales	Ordinary	100
J W Benson Limited	England and Wales	Ordinary	100
Asprey Holdings BV	The Netherlands	Ordinary	100

Asprey Holdings Limited

Notes to the Consolidated Detailed Income Statement

Year ended 31 March 2016

13. Stock

	2016	2015
	£000	£000
Raw materials	2,250	2,010
Work in progress	142	168
Finished goods and goods for resale	9,264	7,466
	<u>11,656</u>	<u>9,644</u>

The company holds no stock. At 31 March 2016, the amount of consignment stock held by the group was £5,968,700 (2015: £5,693,977). Consignment stock is not in the balance sheet as ownership is not transferred until the point of sale.

14. Debtors

	Group		Company	
	2016	2015	2016	2015
	£000	£000	£000	£000
Trade debtors	468	376	–	–
Amounts owed by group undertakings	49,464	35,018	49,254	42,416
Prepayments and accrued income	1,211	1,353	591	77
Other debtors	1,369	372	751	33
	<u>52,512</u>	<u>37,119</u>	<u>50,596</u>	<u>42,526</u>

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

15. Creditors: amounts falling due within one year

	Group		Company	
	2016	2015	2016	2015
	£000	£000	£000	£000
Trade creditors	3,399	2,170	201	128
Amounts owed to group undertakings	85,800	63,495	83,461	63,495
Accruals and deferred income	3,150	3,443	490	527
Social security and other taxes	92	79	27	35
Other creditors	1,036	233	190	191
Bank loans and overdrafts	2,852	–	–	–
	<u>96,329</u>	<u>69,420</u>	<u>84,369</u>	<u>64,376</u>

16. Creditors: amounts falling due after more than one year

	Group		Company	
	2016	2015	2016	2015
	£000	£000	£000	£000
Bank loans and overdrafts	7,116	–	–	–
	<u>7,116</u>	<u>–</u>	<u>–</u>	<u>–</u>

Asprey Holdings Limited

Notes to the Consolidated Detailed Income Statement

Year ended 31 March 2016

17. Deferred tax

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 2016 is £36,490,886 (2015: £37,863,806).

18. Pension commitments

The Asprey Defined Benefit Pension Scheme was closed to new entrants with effect from 30 September 2003 and to future accrual of benefits for existing members from 31 March 2004. A new defined contribution scheme, to which the employer contributes, was introduced with effect from 1 April 2004.

Under s160 of the Pension Act 2004, the Defined Benefit Scheme transferred in to the Pension Protection Fund on 18 August 2008 and in accordance with s161 of the Pension Act 2004, the Trustees were discharged of their pension obligations.

19. Called up share capital

Authorised share capital

	2016		2015	
	No	£000	No	£000
Ordinary shares of £1 each	<u>125,011</u>	<u>125,011</u>	<u>125,011</u>	<u>125,011</u>

Issued, called up and fully paid

	2015		2014	
	No	£000	No	£000
Ordinary shares of £1 each	<u>125,011</u>	<u>125,011</u>	<u>125,011</u>	<u>125,011</u>

20. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

21. Commitments under operating leases

The total future minimum annual lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2016	2015	2016	2015
	£000	£000	£000	£000
Not later than 1 year	122	122	22	12
Between 2 and 5 years	49	48	-	-
After more than 5 years	<u>4,502</u>	<u>3,065</u>	<u>-</u>	<u>-</u>

22. Related party transactions

As part of their employment contract employees, as well as directors and shareholders of the group, can purchase goods at a discount. The amounts of goods purchased by the directors and shareholders are not considered material either to the group or the individuals at the balance sheet date. There were no other transactions between these individuals and the group.

Asprey Holdings Limited

Notes to the Consolidated Detailed Income Statement

Year ended 31 March 2016

22. 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:

Name of Company	Nature of balance	Group		Company	
		2015 £000	2015 £000	2015 £000	2015 £000
Asprey Limited	Trading/Financing	35,652	30,719	26,057	21,264
Asprey International Limited	Financing	(73,412)	(62,834)	(83,461)	(63,495)
Asprey Worldwide Holdings Limited	Financing	3,762	3,638	3,762	3,638
AIL Ltd Finance	Financing	(2,339)	-	(2,339)	-

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

Name of Company	Nature of transaction	Group		Company	
		2016 £000	2015 £000	2016 £000	2015 £000
Asprey Limited	Sale of products/Service and procurement fees	61	113	49	93
Asprey International Limited	Interest	(8,383)	(5,868)	(8,383)	(5,868)

23. 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 controlling principal shareholders are Sciens Special Situation Masterfund Ltd (25.1%), Tynedale Ltd (20.6%), John Rigas (14.1%), Sciens Global Strat Fund SPC (7.8%) and Sciens International GP Holdco SECS (7.3%). As at 31st March 2015 the ultimate controlling principal shareholders are Sciens Special Situation Masterfund Ltd (20.84%), Tynedale Ltd (20.77%), Fleming Holdings Ltd (15.58%), John Rigas (11.63%), Sciens International GP Holdco SECS (8.16%) and Sciens International Holdings 2 Ltd (8.10%).

24. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The group and the company transitioned to FRS 102 on 1 April 2014.

Asprey Holdings Limited

Notes to the Consolidated Detailed Income Statement

Year ended 31 March 2016

24. Transition to FRS 102 (continued)

Reconciliation of equity Group

	1 April 2014			31 March 2015		
	As previously stated £000	Effect of transition £000	FRS 102 (as restated) £000	As previously stated £000	Effect of transition £000	FRS 102 (as restated) £000
Fixed Assets	7,219	–	7,219	6,416	–	6,416
Current Assets	46,340	–	46,340	48,701	–	48,701
Creditors: amounts falling due within one year	(52,682)	–	(52,682)	(69,420)	–	(69,420)
Net current liabilities	(6,342)	–	(6,342)	(20,719)	–	(20,719)
Total assets less current liabilities	877	–	877	(14,303)	–	(14,303)
Creditors: amounts falling due after more than one year	–	–	–	–	–	–
Provisions	(25)	–	(25)	–	–	–
Net assets/(liabilities)	852	–	852	(14,303)	–	(14,303)
Capital And Reserves	852	–	852	(14,303)	–	(14,303)

Reconciliation of equity

No transitional adjustments were required for the company.

24. Transition to FRS 102 (continued)

Reconciliation of profit or loss for the year

	Year ended 31 March 2015		
	As previously stated £000	Effect of transition £000	FRS 102(as restated) £000
Turnover	15,311	–	15,311
Cost of sales	(8,701)	–	(8,701)
Gross profit	6,610	–	6,610
Administrative expenses	(12,511)	–	(12,511)
Operating loss	(5,901)	–	(5,901)
Interest payable	(5,879)	–	(5,879)
Taxation on ordinary activities	–	–	–
Loss for the financial year	(11,780)	–	(11,780)

Asprey Holdings Limited

Notes to the Consolidated Detailed Income Statement

Year ended 31 March 2016

24. Transition to FRS 102 (continued)

This is the first year that the company has presented its results under FRS102. The last financial statements under the UK GAAP were for the year ended 31 March 2015. The date of transition to FRS102 was 1 April 2014.