

Asprey Holdings Limited

Directors' report and financial statements

For the year ended 31 March 2015

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COMPANIES HOUSE

Asprey Holdings Limited

Company information

Directors

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
167 Fleet Street
London
EC4A 2EA

Bankers

HSBC Bank PLC
8 Canada Square
London
E14 5HQ

Asprey Holdings Limited

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Asprey Holdings Limited

Strategic report

For the year ended 31 March 2015

Principal activities and review of business

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 decreased by 2.1%. This is caused by a decrease in sales with Related Parties. The sales performance with our external customers has been flat for the fiscal year. The decrease in sales in our Retail stores has been fully offset by the increase in sales in our Export/Bespoke distribution channel.

Our operating costs decreased by 13.5% versus our prior year. Accordingly, the operating loss for the year decreased by 15.2% 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 expect to broaden this agreement to other countries in the near future.

We also signed an agreement in November 2014 with Rolex UK to sell Rolex watches in our New Bond street store and we have recently started selling Rolex watches in London.

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 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.

Asprey Holdings Limited

Strategic report (continued)
For the year ended 31 March 2015

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 on 25 June 2015 and signed on its behalf.



John Rigas
Director

Asprey Holdings Limited

Directors' report

For the year ended 31 March 2015

The directors present their report and the audited financial statements for the year ended 31 March 2015.

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 £11,780,238 (2014 - Loss £11,990,730), and has been transferred from/to reserves.

The directors do not recommend the payment of a dividend (2014: £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

Mr P Byng (resigned on 19th January 2015)

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.

Asprey Holdings Limited

Directors' report (continued) For the year ended 31 March 2015

Statement of directors' responsibilities

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 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 25 June 2015 and signed on its behalf.



John Rigas
Director

Asprey Holdings Limited

Independent auditor's report to the shareholder of Asprey Holdings Limited For the year ended 31 March 2015

We have audited the group and parent company financial statements ("the financial statements") of Asprey Holdings Limited for the year ended 31 March 2015 from pages 7 to 25. 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 4, 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 2015 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 Strategic Report and 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) For the year ended 31 March 2015


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.

167 Fleet Street
London
EC4A 2EA

25 June 2015



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

Asprey Holdings Limited

Consolidated profit and loss account For the year ended 31 March 2015

	Note	2015 £000	2014 £000
Turnover	2	15,311	15,644
Cost of sales		<u>(8,701)</u>	<u>(8,084)</u>
Gross profit		6,610	7,560
Administrative expenses	3,4,5	<u>(12,511)</u>	<u>(14,517)</u>
Loss on ordinary activities before interest and taxation	3	(5,901)	(6,957)
Interest receivable and similar income	6	-	1
Interest payable and similar charges	7	<u>(5,879)</u>	<u>(5,035)</u>
Loss on ordinary activities before taxation		(11,780)	(11,991)
Tax charge on loss on ordinary activities	9	<u>-</u>	<u>-</u>
Loss for the financial year	19	<u>(11,780)</u>	<u>(11,991)</u>

All amounts relate to continuing operations.

The notes on pages 12 to 25 form part of these financial statements.

Asprey Holdings Limited

Statement of total recognised gains and losses For the year ended 31 March 2015

	2015 £000	2014 £000
Loss for the financial year	(11,780)	(11,991)
Foreign exchange gain/(loss)	<u>(3,374)</u>	<u>493</u>
Total recognised gains and losses relating to the year	<u>(15,154)</u>	<u>(11,498)</u>

Note of historical cost profits and losses For the year ended 31 March 2015

	2015 £000	2014 £000
Reported loss on ordinary activities before taxation	<u>(11,780)</u>	<u>(11,991)</u>
Historical cost loss on ordinary activities before taxation	<u>(11,780)</u>	<u>(11,991)</u>
Historical cost loss for the year retained after taxation	<u>(11,780)</u>	<u>(11,991)</u>

The notes on pages 12 to 25 form part of these financial statements.

Asprey Holdings Limited

Consolidated balance sheet As at 31 March 2015

		2015		2014	
	Note	£000	£000	£000	£000
Fixed assets					
Intangible fixed assets	11		493		601
Tangible fixed assets	12		<u>5,923</u>		<u>6,618</u>
			6,416		7,219
Current assets					
Stocks	14	9,644		12,091	
Debtors	15	37,119		32,522	
Cash at bank and in hand		<u>1,938</u>		<u>1,727</u>	
		48,701		46,340	
Creditors: amounts falling due within one year	16	<u>(69,420)</u>		<u>(52,682)</u>	
Net current liabilities			<u>(20,719)</u>		<u>(6,342)</u>
Total liabilities			(14,303)		877
Provision for liabilities and charges	17		<u>-</u>		<u>(25)</u>
Net (liabilities) / assets			<u>(14,303)</u>		<u>852</u>
Capital and reserves					
Called up share capital	18		125,011		125,011
Share premium account	19		19,540		19,540
Profit and loss account	19		<u>(158,854)</u>		<u>(143,699)</u>
Total equity shareholders' funds	20		<u>(14,303)</u>		<u>852</u>

The financial statements were approved and authorised for issue by the board on 25 June 2015 and signed on its behalf.

John Rigas
Director

The notes on pages 12 to 25 form part of these financial statements.

Asprey Holdings Limited

Company balance sheet As at 31 March 2015

		2015		2014	
	Note	£000	£000	£000	£000
Fixed assets					
Intangible fixed assets	11		493		601
Tangible fixed assets	12		4,544		5,209
Investments	13		<u>1,882</u>		<u>5,964</u>
			6,919		11,774
Current assets					
Debtors	15	42,526		37,825	
Cash at bank and in hand		<u>1,746</u>		<u>1,428</u>	
		44,272		39,253	
Creditors: amounts falling due within one year	16	<u>(64,376)</u>		<u>(47,643)</u>	
Net current assets			<u>(20,104)</u>		<u>(8,390)</u>
Total assets/ (liabilities)			(13,185)		3,384
Provision for liabilities and charges	17		-		-
Net assets			<u>(13,185)</u>		<u>3,384</u>
Capital and reserves					
Called up share capital	18		125,011		125,011
Share premium account	19		19,540		19,540
Profit and loss account	19		<u>(157,736)</u>		<u>(141,167)</u>
Total equity shareholders' funds	20		<u>(13,185)</u>		<u>3,384</u>

The financial statements were approved and authorised for issue by the board on 25 June 2015 and signed on its behalf.


John Rigas
Director

Company Registration Number: 103844

The notes on pages 12 to 25 form part of these financial statements.

Asprey Holdings Limited

Consolidated cash flow statement For the year ended 31 March 2015

	Note	2015 £000	2014 £000
Net cash outflow from operating activities	21	(4,933)	(7,947)
Returns on investments and servicing of finance	22	(11)	(11)
Taxation		-	-
Capital expenditure and financial investment	22	<u>(342)</u>	<u>(938)</u>
Cash outflow before financing		(5,286)	(8,899)
Financing	22	<u>5,497</u>	<u>7,907</u>
(Decrease)/increase in cash in the year		<u>211</u>	<u>(989)</u>

Reconciliation of net cash flow to movement in net funds For the year ended 31 March 2015

		2015 £000	2014 £000
(Decrease)/increase in cash in the year		<u>211</u>	<u>(989)</u>
Movement in net funds in the year		211	(989)
Net funds at 1 April 2014		<u>1,727</u>	<u>2,716</u>
Net funds at 31 March 2015	23	<u>1,938</u>	<u>1,727</u>

The notes on pages 12 to 25 form part of these financial statements.

Asprey Holdings Limited

Notes to the consolidated financial statements For the year ended 31 March 2015

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 monthly cash flow projections to June 2015 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.

1.2 Basis of consolidation

The group financial statements consolidate Asprey Holdings Limited and its subsidiary undertakings up to 31 March 2015. 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:

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.

Asprey Holdings Limited

Notes to the consolidated financial statements For the year ended 31 March 2015

1. Accounting policies (continued)

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 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.

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.

1.10 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.

Asprey Holdings Limited

Notes to the consolidated financial statements For the year ended 31 March 2015

1. Accounting policies (continued)

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 year, 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 24 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 group 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 26.

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 group after deducting all of its liabilities.

Asprey Holdings Limited

Notes to the consolidated financial statements For the year ended 31 March 2015

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.

	2015	2014
	£000	£000

Turnover by origin is analysed by activity below:

Luxury goods and services	15,311	15,644
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Turnover by origin is analysed by geographical area below:

	2015	2014
	£000	£000
United Kingdom	14,829	14,958
Far East	482	686
	15,311	15,644

Turnover by destination to 3rd party is analysed below:

	2015	2014
	£000	£000
United Kingdom	8,293	10,800
USA	1,723	736
Far East	2,779	942
Europe	300	740
Middle East	1,589	1,512
Other	32	130
	14,716	14,861

Turnover by destination to related party is analysed below:

USA	113	97
Far East	482	686
Total	15,311	15,644

Asprey Holdings Limited

Notes to the consolidated financial statements For the year ended 31 March 2015

3. Operating loss

The operating loss of £5,901,587 (2014: £6,956,540) is stated after charging/(crediting):

	2015 £000	2014 £000
Exchange (gain)/loss	84	48
Amortisation of intangible fixed assets	140	167
Depreciation of tangible fixed assets	962	1,079
Loss on disposal of fixed assets	-	1
Operating lease rentals:		
- other	12	13
- land and buildings	3,257	3,350
Auditor's remuneration – audit	71	71

During the year the group recorded an exchange gain of £84,071 (2014: loss £48,381) that arises on translation of foreign currency assets and liabilities. Auditor's remuneration for tax and other advisory services is £31,000 (2014: £31,000).

4. Staff costs

Staff costs were as follows:

	2015 £000	2014 £000
Wages and salaries	3,383	3,751
Social security costs	369	411
Other pension costs	202	234
	3,954	4,396

The group made contributions to defined contribution schemes of £202,000 (2014: £234,000). This amount represents a contribution that averages 5.1% (2014: 5.3%) of the gross salary of the employees. The outstanding contribution at the balance sheet date is £23,265 (2014: £23,818). The average monthly number of employees, including the directors, during the year was as follows:

	2015 No.	2014 No.
Management and administration	60	62
Manufacturing	9	8
Retail operations	15	17
	84	87

5. Directors' remuneration

	2015 £000	2014 £000
Aggregate emoluments	182	232
Value of company pension contributions to money purchase schemes	39	50
	221	282

Asprey Holdings Limited

Notes to the consolidated financial statements For the year ended 31 March 2015

5. Directors' remuneration (continued)

The number of directors who accrued benefits under company (money purchase) pension schemes was 1 (2014: 1). The highest paid director received remuneration of £220,792 (2014: £283,892).

6. Interest receivable and similar income

	2015 £000	2014 £000
Bank interest receivable	-	1

7. Interest payable and similar charges

	2015 £000	2014 £000
On group financing (note 16)	5,868	5,024
Other interest payable	11	11
	5,879	5,035

8. 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 2015 is £37,863,806 (2014: £40,747,692).

9. Taxation

	2015 £000	2014 £000
Overseas 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 21% (2014 - 23%). The differences are explained below:

Asprey Holdings Limited

Notes to the consolidated financial statements For the year ended 31 March 2015

9. Taxation (continued)

	2015 £000	2014 £000
Loss on ordinary activities before tax	(11,780)	(11,991)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014 - 23%)	(2,474)	(2,758)
Effects of:		
Expenses and provisions not deductible for tax purposes	9	(7)
Capital allowances for the year less than depreciation	189	183
Loan relationship trading adjustment	1,234	1,158
Overseas taxation	-	-
Losses brought forward	(64,572)	(65,435)
Effect of lower rate of tax on losses brought forward	5,615	2,726
Effect of foreign exchange movement on losses brought forward	168	456
Effect of losses not previously recognised	(1,234)	(1,158)
Losses brought forward no longer available for relief	435	263
Losses carried forward	60,630	64,572
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 £288,716,796 (2014 - £280,746,245).

10. Profit attributable to Asprey Holdings Limited

The loss before taxation for the financial year dealt within the financial statements of the parent company, Asprey Holdings Limited, was £13,085,820 (2014 - £11,689,766). No separate profit and loss account is presented for Asprey Holdings Limited, as provided by Section 408 of the Companies Act 2006.

11. Intangible fixed assets

	Trademarks £000
Group and company	
Cost	
At 1 April 2014	2,080
Additions	32
At 31 March 2015	2,112
Amortisation	
At 1 April 2014	1,479
Charge for the year	140
At 31 March 2015	1,619
Net book value	
At 31 March 2015	493
At 31 March 2014	601

Asprey Holdings Limited

Notes to the consolidated financial statements For the year ended 31 March 2015

12. 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 2014	8,047	334	253	8,491	318	1,925	19,368
Additions	-	7	168	-	-	135	310
Disposals	-	-	-	-	-	-	-
Foreign exchange	(2)	-	-	-	-	-	(2)
Transfer to/from subsidiaries	-	-	-	-	-	-	-
Transfer to stock	-	-	-	-	-	(81)	(81)
At 31 March 2015	8,045	341	421	8,491	318	1,979	19,595
Depreciation							
At 1 April 2014	3,369	238	-	7,728	-	1,415	12,750
Charge for the year	354	48	-	278	-	282	962
Transfer to stock	-	-	-	-	-	(40)	(40)
At 31 March 2015	3,723	286	-	8,006	-	1,657	13,672
Net book value							
At 31 March 2015	4,323	55	421	485	318	322	5,923
At 31 March 2014	4,678	96	253	763	318	510	6,618

Company	Leasehold improvements £000	IT development costs £000	Fixtures and fittings £000	Museum assets £000	Development costs £000	Total £000
Cost or valuation						
At 1 April 2014	7,060	244	6,540	318	1,926	16,088
Additions	-	7	-	-	135	142
Disposals	-	-	-	-	-	-
Transfer to stock	-	-	-	-	(81)	(81)
At 31 March 2015	7,060	251	6,540	318	1,980	16,149
Depreciation						
At 1 April 2014	2,907	156	6,400	-	1,416	10,879
Charge for the year	321	39	124	-	282	766
Transfer to stock	-	-	-	-	(40)	(40)
At 31 March 2015	3,228	195	6,524	-	1,658	11,605
Net book value						
At 31 March 2015	3,832	56	16	318	322	4,544
At 31 March 2014	4,153	88	140	318	510	5,209

Asprey Holdings Limited

Notes to the consolidated financial statements For the year ended 31 March 2015

13. Investments in subsidiaries

	Shares in group undertakings £000
Company	
Cost	
At 1 April 2014	21,315
Disposal	-
At 31 March 2015	21,315
Impairment	
At 1 April 2014	(15,351)
Impairment provision	(4,082)
Disposal	-
At 31 March 2015	(19,433)
Net book value	
At 31 March 2015	1,882
At 1 April 2014	5,964

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 £1,882,000.

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 London Watches Limited	England and Wales	100%
Asprey Japan Limited	Japan	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%

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.

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For the year ended 31 March 2015

14. Stocks, Net of provision

	Group	
	2015	2014
	£000	£000
Raw materials	2,010	1,954
Work in progress	168	79
Finished goods and goods for resale	7,466	10,058
	9,644	12,091

The company holds no stock. At 31 March 2015, the amount of consignment stock held by the group was £5,693,977 (2014: £11,804,901). Consignment stock is not in the balance sheet as ownership is not transferred until the point of sale.

15. Debtors

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Due within one year				
Trade debtors	376	596	-	-
Amounts owed by group undertakings	35,018	30,652	42,416	37,678
Other debtors	372	361	33	79
Prepayments and accrued income	1,353	913	77	68
	37,119	32,522	42,526	37,825

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

16. Creditors: Amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Trade creditors	2,170	4,600	128	937
Amounts owed to group undertakings	63,495	45,828	63,495	45,828
Social security and other taxes	79	109	35	56
Other creditors	233	417	191	222
Accruals and deferred income	3,443	1,728	527	600
	69,420	52,682	64,376	47,643

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 working capital 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 and the interest is being accrued at 5% per annum.

Asprey Holdings Limited

Notes to the consolidated financial statements

For the year ended 31 March 2015

16. Creditors: Amounts falling due within one year (continued)

The shareholders loans are secured and the rights of the shareholders are subject to the terms of a certain Third Amended and Restated Intercreditor and Subordination Agreement dated 11 December 2014.

17. Provision for liabilities and charges

Restructuring Provision	Group £000	Company £000
As at 1 April 2014	25	-
Utilised during the year	(25)	-
Charged to profit and loss account	-	-
As at 31 March 2015	-	-

During the year £25,000 (2014: £21,000) of the provision for restructuring and related costs was utilised. During the year there were no additional restructuring charges debited to the profit and loss account.

18. Share capital

	2015 £000	2014 £000
Authorised		
125,011,000 ordinary shares of £1 each	<u>125,011</u>	<u>125,011</u>
Allotted, called up and fully paid		
125,011,000 ordinary shares of £1 each	<u>125,011</u>	<u>125,011</u>

19. Reserves

	Share premium account £000	Profit and loss account £000
Group		
At 1 April 2014	19,540	(143,699)
Loss for the financial year	-	(11,780)
Foreign exchange	-	(3,375)
At 31 March 2015	19,540	(158,854)
Company		
At 1 April 2014	19,540	(141,167)
Loss for the financial year	-	(13,086)
Foreign exchange	-	(3,483)
At 31 March 2015	19,540	(157,736)

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Notes to the consolidated financial statements

For the year ended 31 March 2015

20. Reconciliation of movement in shareholders' funds

Group	2015 £000	2014 £000
Loss for the financial year	(11,780)	(11,991)
Foreign exchange (loss)/gain	(3,375)	493
	(15,155)	(11,498)
Opening equity shareholders' funds	852	12,350
Closing equity shareholders' funds	(14,303)	852

Company

Loss for the financial year	(13,086)	(11,690)
Foreign exchange loss	(3,483)	(848)
Other movements	-	(170)
	(16,569)	(12,708)
Opening equity shareholders' funds	3,384	16,092
Closing equity shareholders' funds	(13,185)	3,384

21. Net cash flow from operations

	2015 £000	2014 £000
Operating loss	(5,901)	(6,957)
Amortisation of intangible fixed assets	140	167
Depreciation of tangible fixed assets	962	1,079
Decrease/(increase) in stocks	2,447	(729)
Foreign exchange movement	-	493
Increase in debtors	(4,597)	(994)
Increase/(decrease) in creditors	1,996	(1,038)
(Decrease)/increase in provisions	(25)	4
Net loss on disposals of fixed assets	-	1
Other tangible fixed asset movements	45	27
Net cash outflow from operations	(4,933)	(7,947)

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

	2015 £000	2014 £000
Returns on investments and servicing of finance		
Interest received	1	1
Interest paid	(12)	(12)
Net cash outflow from returns on investments and servicing of finance	(11)	(11)

Asprey Holdings Limited

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For the year ended 31 March 2015

22. Group analysis of cash flows for headings netted in the cash flow statement (continued)

	2015 £000	2014 £000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(310)	(798)
Purchase of intangible fixed assets	(32)	(140)
Net cash outflow from capital expenditure	(342)	(938)
	2015 £000	2015 £000
Financing		
Parent company financing received	5,497	7,907

23. Group analysis of changes in net debt

	1 April 2014 £000	Cash flow £000	31 March 2015 £000
Cash at bank and in hand	1,727	211	1,938

Cash at bank includes \$2,002,000 (2014: \$2,002,000) of monies held on escrow by HSBC to guarantee a lease on behalf of a fellow group subsidiary company in the USA, Asprey Limited.

24. 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.

25. Operating lease commitments

At 31 March 2015 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
Group	2015 £000	2014 £000	2015 £000	2014 £000
Expiry date:				
Within 1 year	122	92	12	3
Between 2 and 5 years	48	189	-	9
After more than 5 years	3,065	3,067	-	-

26. 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

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For the year ended 31 March 2015

26. 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	2014 £000	2015 £000	2014 £000
Asprey Limited	Trading/Financing	30,719	26,741	21,264	17,680
Asprey International Limited	Financing	(62,834)	(45,227)	(63,495)	(45,827)
Asprey Worldwide Holdings Limited	Financing	3,638	3,240	3,638	3,240

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

Name of Company	Nature of transaction	Group		Company	
		2015 £000	2014 £000	2015 £000	2014 £000
Asprey Limited	Sale of products/Service and procurement fees	113	97	93	70
Asprey International Limited	Interest	(5,868)	(5,024)	(5,868)	(5,024)

27. 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 (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%). As at 31st March 2014 the ultimate controlling principal shareholders were Sciens Special Situation Masterfund Ltd (22.16%), Fleming Holdings Ltd (15.84%), John Rigas (12.37%), Sciens International GP Holdco SECS (8.68%) and Sciens International Holdings 2 Ltd (6.87%).