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ROBERT DYAS HOLDINGS LIMITED

INDEX TO THE FINANCIAL STATEMENTS
FOR THE 53 WEEKS ENDED 31 MARCH 2012

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ROBERT DYAS HOLDINGS LIMITED

DIRECTORS AND ADVISERS

T Paphıtıs
C G Coles
P C Green
K Kyprıanou
B Pearson

COMPANY SECRETARY

A Mantz

REGISTERED OFFICE

Cleeve Court
Cleeve Road
Leatherhead
Surrey
KT22 7SD

AUDITOR

KPMG LLP
15 Canada Square
London
E14 5GL

BANKERS

Lloyds Bankıng Group plc
25 Monument Street
London
EC3R 8BQ

WEB SITE

www robertdyas co uk

ROBERT DYAS HOLDINGS LIMITED

CHAIRMAN'S STATEMENT
FOR THE 53 WEEKS ENDED 31 MARCH 2012

I am delighted to have completed the acquisition of Cleeve Court Holdings Limited and with it the Robert Dyas business on 10 July 2012 This is consequently my first and a very early Chairman's Statement, which represents a period prior to my appointment

The acquisition was completed through a new company, Gladys Emmanuel Limited of which I am the sole shareholder Another new company owned by me, Theo Paphitis Funding Limited provided the entire funding required to clear all of the Company's bank borrowing at completion As a result, the Company is now in a much stronger financial position and has no external bank borrowing A pro-forma balance sheet on page 5 of the directors report demonstrates this On completion, I joined the board of the Company

Turnover increased by 2 2% in the 53 weeks ended 31 March 2012 to £105 9m (2011 £103 6m for the 52 weeks period) Like-for-like store sales increase was 3 3% and the business delivered a creditable EBITDA of £2 8m

A satisfactory start to the current financial year has seen like-for-like growth of 0 9% in the first thirteen weeks In conjunction with the board and existing management team, I look forward to focusing our efforts on the trading operations and development of the business, now that its financial position has been strengthened

As a result of the transaction, Geoff Brady and Ian Gray left on 10 July 2012 The Board would like to thank Geoff and Ian for the extremely important role they have played in the business over the past three years I have taken over from Geoff as Chairman and welcome Kypros Kyprianou, Group Chief Executive of Ryman, to the Board as non-executive director Graham Coles, Phil Green and Bea Pearson will continue on the Board

I would like to thank all Robert Dyas colleagues for the commitment and effort they put into every part of the business Their contribution, in particular in providing an excellent customer experience, is vital to the continued success of the business and I look forward to working with all stakeholders for a brighter future

Theo Paphitis
26 July 2012

ROBERT DYAS HOLDINGS LIMITED

DIRECTORS' REPORT
FOR THE 53 WEEKS ENDED 31 MARCH 2012

The Directors submit their report on the affairs of the Company for the 53 weeks ended 31 March 2012 The comparative period is for the 52 weeks ended 26 March 2011

1. PRINCIPAL ACTIVITES

Robert Dyas is positioned as a convenience retailer of everyday items and the principal activity is the retailing of functional home and garden products with almost 100 stores, mostly located in the South of England Most of its stores are located in traditional High Streets and local shopping centres, often in smaller market towns and workplace locations

2. BUSINESS REVIEW

The Board use a range of KPI's that they consider effective to measure delivery of the Company's strategy and that help minimise risk and uncertainty They assess individual store performance by monitoring changes in sales, margins and profitability The main measure of profitability is EBITDA (Earnings Before Exceptional Items, Interest, Taxation, Depreciation and Amortisation)

PERFORMANCE AND OUTLOOK

Total ex-VAT sales were £105 9m, up 2 2% on the prior period [2011 £103 6m] Like-for-like sales [inc-VAT sales in Robert Dyas shops that were open throughout both the period under review and the previous period excluding the Internet and the effect of the 53 week vs 52 week periods] were 3 3% up on the previous period In the year under review, the Board decided that management and capital resources should be focussed on like-for-like sales growth in our existing stores As a result, we did not open any new stores , but placed greater emphasis on our refurbishment programme, with elements of the New Store Trading Format rolled out to a further 21 stores in the estate

As part of our ongoing evaluation of the Store portfolio, we took the strategic decision to close stores in Southampton, Reading and Boscombe in the year under review, with our Cheltenham store closing in April 2012 We will continue to close stores that do not fit in with the Board's future strategic view No new stores were opened in the period under review

Against a difficult economic climate, in particular for the retail sector, Christmas trading was above our expectations with like-for-like sales [inc- VAT sales via the Internet and in Robert Dyas shops] 6 3% up in the 13 week trading period to 24 December, including strong sales in both core ranges and within our Internet division [46 2% sales growth in the immediate four weeks before Christmas] Stock was at planned levels at the year end and is being actively managed in the business to remain at optimal levels.

The favourable trading performance pre-Christmas continued in the final quarter, as reflected in LFL sales growth shown above and reflects our strategy to focus resources on delivering strong sales growth and cash profit for the year We will continue to achieve this by focussing on providing great products to customers at competitive prices and with great customer service It is essential that we continue to do this whilst at the same time keeping strong control on costs and stock levels for the year to allow us to achieve our profit targets

Our Home Shopping channel remains a key part of Robert Dyas' multi-channel strategy We made significant changes to the management and operational structure of this channel during the year under review to ensure that we can capitalise on the huge opportunity we see within multi-channel trading As a result sales were 28% up year-on-year, with contribution also growing strongly, particularly in the second half of the financial year as the changes started to have an impact

ROBERT DYAS HOLDINGS LIMITED

DIRECTORS' REPORT
FOR THE 53 WEEKS ENDED 26 MARCH 2012

BUSINESS REVIEW – Continued

PERFORMANCE AND OUTLOOK - Continued

Good underlying growth was achieved at the turnover level, but margins were under pressure, largely as a result of competitive pressure, and an increase in Value Added Tax for the second successive year toward the end of the prior year As a result, gross profit was flat year on year, and despite good cost controls, operating profit before exceptional items fell to £1 6m [2011 £2 8m] Operating profit after all exceptional items was £0 5m [2011 £2 3m] This is stated after charging exceptional items of £1 1m [2011 £0 5m]

Underlying EBITDA [Earnings Before Exceptional Items, Interest, Taxation, Depreciation and Amortisation] was £2 8m, down from £4 1m in the previous period Underlying EBITDA is calculated as follows

	2012 £'000	2011 £'000
Operating Profit before exceptional items	1,643	2,802
Add back -		
Depreciation of fixed assets	1,555	1,704
New store pre-opening costs	2	238
Loss/(profit) on disposal of tangible fixed assets	231	(314)
Directors compensation for loss of office	148	372
Pension contributions	(195)	(188)
Onerous lease change in projected trading losses	(599)	(505)
Underlying EBITDA	2,785	4,109

As announced on 10 July 2012, the Robert Dyas business was sold to Gladys Emmanuel Limited As part of this transaction the following events occurred

- Approximately £15,000,000 of the Cleeve Court Holdings Limited Group debt was irrevocably released in consideration for an issue of Ordinary shares to the lenders

- The entire share capital of the parent company was then sold to Gladys Emmanuel Limited, a company wholly owned by Theo Paphitis

- All utilisations under the banking facilities existing at the period end and remaining after the debt release referred to above were repaid in accordance with the terms and conditions of those arrangements

- Transitional arrangement letter of credit banking facilities of £3 75m have been provided by Lloyds TSB Bank plc to the Company for an interim period and will be reviewed in October 2012 These facilities have been fully cash collateralised by placing the £3,750,000 into a deposit account with Lloyds TSB Bank plc by Theo Paphitis Funding Limited

DIRECTORS' REPORT
FOR THE 53 WEEKS ENDED 31 MARCH 2012

BUSINESS REVIEW - Continued

PERFORMANCE AND OUTLOOK - Continued

The effect of this transaction will be reflected in the accounts for the 52 weeks ending 30 March 2013 The following table provides a proforma non-statutory balance sheet as at 31 March 2012, as if the transaction had taken place on that date, and shows the removal of bank debt from the business

	Reported Balance Sheet £'000	Effect of Sale £'000	Proforma Balance Sheet £'000
Fixed assets	6,616		6,616
Current assets	20,563		20,563
Creditors	(15,589)	4,800	(10,789)
Net pension liability	(496)		(496)
Provisions	(3,211)		(3,211)
Net Third Party Assets	7,883	4,800	12,683
Intra-group loans	29	(4,800)	(4,771)
Total Net Assets	7,912	-	7,912

This proforma non-statutory balance sheet shows a significant improvement in Net Third Party Assets of the Company

CAPITAL EXPENDITURE & CASH

Tangible fixed assets acquired during the year, mainly incurred on store fixtures, fittings and equipment amounted to £752,000 [2011 £1,843,000] The cash balance held at the bank on 31 March 2012 was £2,496,000 [2011 £1,979,000]

PRINCIPLE RISKS AND UNCERTAINTIES

The current economic environment has affected, and will continue to affect, all areas of the business We also recognise that we will be affected by the impact this will have on our customers, partners and suppliers

The Board recognise that the Company faces a number of risks that could affect the execution of the Company's strategic plans The risks set out below represent the principal risks and uncertainties that may adversely affect the management of the Company and the execution of its strategic plans

Strategic Risks

The Economy
There are a number of economic factors that affect our customers, partners and suppliers at both the global and national level The Board monitor these closely to ensure that we are prepared for and can react to changes in the economic environment

DIRECTORS' REPORT
FOR THE 53 WEEKS ENDED 31 MARCH 2012 - Continued

BUSINESS REVIEW - Continued

PRINCIPLE RISKS AND UNCERTAINTIES – Continued

Strategic Risks - Continued

Competition
Our stores - although relatively small compared to out-of-town retailers - offer a broad range of home and garden products, and as such we compete in many of the non-food non-fashion retail markets As a consequence, we have a large number of indirect competitors, but our most direct competition comes from other retailers who satisfy a similar shopping mission to ourselves by competing in the convenience market on the local High Street As with many other retailers, we also compete with internet retailers, and have developed our own transactional website, **robertdyas.co.uk**

Operational Risks

Stock
The most significant investment that the Company makes each year is its investment in stock Processes are in place to mitigate the risk inherent in such an investment by controlling the level of stock in the context of changing sales levels, and to ensure that all slow-moving stock is moved quickly through the business

People
The Board recognises the importance of our people in the success of its operations The risk of reliance on key individuals is minimised through the development of succession plans in respect of key individuals

Suppliers
The Company is dependant on its suppliers to manufacture its products to the desired quality and standards and on its logistics providers to ensure it reaches the required location on a timely basis The standards, arrangements and contingency plans are under constant review by management

Financial Risks

Cash Flow
Robust and effective financial processes are in place to ensure that margins, costs and cash flows are properly controlled

Working Capital Funding
The Company is dependent for its working capital on access to funds forming part of the funding facilities held by its parent company, Cleeve Court Holdings Limited and its subsidiaries (together "the Group") The CCHL Group has granted charges over all the Group's assets and undertakings under a debenture granted to secure the funding facilities Certain financial covenant requirements are in place under the facility agreements The Group controls this risk by routinely monitoring financial performance against those covenants and reporting performance to the fund provider on a monthly basis

Currency Risk
The Company directly imports a significant proportion of its merchandise Forward foreign exchange contracts are entered into at the point that purchases are agreed, with the result the effective sterling price is substantially fixed at the same time as the dollar price

DIRECTORS' REPORT
FOR THE 53 WEEKS ENDED 31 MARCH 2012 – Continued

PRINCIPLE RISKS AND UNCERTAINTIES – Continued

Financial Risks - Continued

Pension Scheme
The defined benefit pension scheme showed a deficit net of deferred tax of £496,000 [2011 £210,000] at the period end The increase in the deficit is predominantly due to

- change in actuarial assumptions with the discount rate applied reducing from 5 7% in the prior year to 5 2% with a resultant increase in the value of the pension scheme liabilities,
- a further experience loss on the liabilities and
- better than expected investment returns resulting in an experience gain

The Pension Scheme Trustees have agreed with the Company that they will not seek to increase contributions to the scheme beyond those currently agreed until at least June 2015, unless required to do so by Statute or Regulation However, in the longer term, if the value of the scheme assets were to decline significantly relative to its liabilities, the Company might need to make further additional contributions to cover any shortfall This would have an adverse impact on cash flow The Company and Pension Scheme Trustees meet regularly and receive advice from external actuaries with the objective of mitigating this risk through the scheme's investment strategy

3. DIVIDENDS

The Directors do not recommend the payment of a dividend [2011 £nil]

4. CREDITOR PAYMENT POLICY

For all trade creditors it is the Company's policy to

- agree the terms of payment at the start of business with that supplier,
- ensure that all suppliers are aware of the terms of payment, and
- pay in accordance with its contractual and other legal obligations

For the Company, creditor payments relating to stock purchased for resale at 31 March 2012 equated to 38 days [2011 46 days]

5. DIRECTORS AND COMPANY SECRETARY

The Directors who held office during the period were as follows

T Paphitis	(appointed 10 July 2012)
C G Coles	
P C Green	
K Kyprianou	(appointed 10 July 2012)
B Pearson	
S C McVey	(appointed 23 August 2011, resigned 9 December 2011)
G Brady	(resigned 10 July 2012)
I A Gray	(resigned 10 July 2012)

On 17 July 2012 Ann Mantz was appointed Company Secretary On the same date Graham Coles resigned as Company Secretary

ROBERT DYAS HOLDINGS LIMITED

DIRECTORS' REPORT
FOR THE 53 WEEKS ENDED 31 MARCH 2012 – Continued

6. PEOPLE

The Company would not be able to achieve such results in a difficult market without the energy and dedication of its management and colleagues, providing customers with a high-quality shopping experience and actively driving sales

The Company places considerable value on the involvement of its employees and maintains close consultation with them regarding matters likely to affect their interests and is committed to providing them with relevant information and involving them in the performance and development of the Company whenever possible This is achieved through regular trading updates and both formal and informal meetings where employees are consulted on a wide range of matters that affect their interests The Company operates a bi-annual performance review process with each employee to discuss personal and career development

The Company believes in respecting individuals and their rights in the workplace With this in mind, policies are in place covering equal opportunities and dignity at work

The Company has a policy of giving disabled persons full and fair consideration for all job vacancies for which they offer themselves as suitable applicants, having regard to their particular aptitudes and abilities Training and career development opportunities are available to all employees and the Company endeavours to retrain any employee who develops a disability during employment

7. DONATIONS

During the year the Company made charitable donations of £184 [2011 £2,450] No political donations were made during the year

8. DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

9. DEEDS OF INDEMNITY

As at the date of this report, indemnities are in force under which the Company has agreed to indemnify the Directors, to the extent permitted by law and the Company's Articles of Association, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities, as Directors of the Company

10. AUDITORS

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

By Order of the Board

C G Coles
Director

Registered Office
Cleeve Court
Cleeve Road
Leatherhead
KT22 7SD

26 July 2012

Company number 4041884

ROBERT DYAS HOLDINGS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE 53 WEEKS ENDED 31 MARCH 2012

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ROBERT DYAS HOLDINGS LIMITED

We have audited the financial statements of Robert Dyas Holdings Limited for the 53 week period ended 31 March 2012 set out on pages 13 to 27 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

This report is made solely to the Company's members, 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 members 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 members, as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditor
As explained more fully in the Directors' Responsibilities Statement set out on page 9, 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, 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 (APB'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 APB'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 Company's affairs as at 31 March 2012 and of its profit for the period then ended
- have been properly prepared in accordance with UK 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

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

Helen Dickinson **(Senior Statutory Auditor)**
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London, E14 5GL

26 July 2012

ROBERT DYAS HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE 53 WEEKS ENDED 31 MARCH 2012

		53 weeks ended 31 March 2012			52 weeks ended 26 March 2011		
	Notes	Before Exceptionals £'000	Exceptionals £'000	Total £'000	Before Exceptionals £'000	Exceptionals £'000	Total £'000
TURNOVER	2	105,911		105,911	103,622		103,622
Cost of sales		(62,877)		(62,877)	(60,605)		(60,605)
GROSS PROFIT		43,034		43,034	43,017		43,017
Selling and distribution expenses		(38,809)		(38,809)	(38,243)		(38,243)
Administrative expenses before exceptional items		(2,582)			(1,972)		
Exceptional items							
- onerous lease cost	4		(343)			(113)	
- impairment of tangible fixed assets	4		(219)			(293)	
- restructuring costs	4		(565)			(96)	
Administrative expenses				(3,709)			(2,474)
OPERATING PROFIT/(LOSS)		1,643	(1,127)	516	2,802	(502)	2,300
Interest receivable and similar income	6			562			544
Interest payable and similar charges	7			(892)			(893)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4			186			1,951
Taxation	8			(416)			(472)
LOSS/(PROFIT) ON ORDINARY ACTIVITIES AFTER TAXATION				(230)			1,479

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Notes	53 weeks ended 31 March 2012 £'000	52 weeks ended 26 March 2011 £'000
(Loss)/profit for the period		(230)	1,479
Actuarial (loss)/gain recognised in respect of the pension fund	17	(587)	793
Deferred tax thereon	13	133	(214)
Total recognised gains and losses for the period		(684)	2,058

The profit on ordinary activities before taxation relates entirely to continuing activities in each period

The notes on pages 13 to 27 form part of these financial statements

ROBERT DYAS HOLDINGS LIMITED

BALANCE SHEET AS AT 31 MARCH 2012

	Notes	31 March 2012 £'000	31 March 2012 £'000	26 March 2011 £'000	26 March 2011 £'000
FIXED ASSETS					
Tangible assets	9		6,616		7,661
CURRENT ASSETS					
Stocks	10	13,334		14,495	
Debtors	11	7,270		7,983	
Cash at bank and in hand		2,496		1,979	
		23,100		24,457	
CREDITORS: amounts falling due within one year	12	(18,097)		(19,323)	
NET CURRENT ASSETS			5,003		5,134
TOTAL ASSETS LESS CURRENT LIABILITIES			11,619		12,795
PROVISION FOR LIABILITIES & CHARGES	13		(3,211)		(3,989)
NET ASSETS EXCLUDING PENSION LIABILITY			8,408		8,806
Net pension liability	17		(496)		(210)
NET ASSETS			7,912		8,596
CAPITAL & RESERVES					
Called up share capital	14		706		706
Share premium	15		6,989		6,989
Capital contribution reserve	15		3,515		3,515
Profit and loss account	15		(3,298)		(2,614)
EQUITY SHAREHOLDERS' FUNDS			7,912		8,596

The financial statements were approved by the Board on 26 July 2012 and signed on its behalf by

C G Coles
Director

The notes on pages 13 to 27 form part of these financial statements

ROBERT DYAS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 53 WEEKS ENDED 31 MARCH 2012

1 ACCOUNTING POLICIES

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

1 1 Basis of preparation – Going Concern

At the balance sheet date the Company was dependent for its working capital on access to funds forming part of the banking facilities held by its parent company, Cleeve Court Holdings Limited and its subsidiaries (together "the Group") Following the acquisition of Cleeve Court Holdings Limited by Gladys Emmanuel Limited on 10 July 2012, these banking facilities have been terminated The Company and the Group are now dependent for working capital on access to funds forming part of a new Term Loan Facility granted by Theo Paphitis Funding Limited This loan expires in 15 months on 10 October 2013, when it becomes due and payable in full Details of the new facilities are disclosed in note 12

Projected cash flow information for the Group has been prepared for the period ending 12 months from the approval of these financial statements (the "Projections") These Projections are based on key assumptions (including sales and gross margins) and show the Group is capable of operating within the new facilities available and meeting the new financial covenant test for the full term covered by the Projections The Directors recognise, particularly in the current economic environment, that normal trading risks exist regarding the achievability of the Group's forecast sales and margins and the timing of cash flows

The Directors have tested the impact of variations from the Projections by assessing the adequacy of the new funds available to the Group and the ability of the Group to operate within the new financial covenant, under a combination of different scenarios constructed to reflect reasonable possible downside risks to the assumptions contained within the Projections In these downside scenarios, it is anticipated that various cost saving initiatives and mitigating actions, including reducing marketing costs and capital expenditure, will be undertaken within a required timescale These actions are all under the control of the Group and will be implemented as required

Having considered the basis of preparation and the assumptions underlying the Group's cash flow projections, the Directors have a reasonable expectation that the Company and the Group will be able to meet their liabilities as they fall due for the foreseeable future It is on this basis that the Directors consider it appropriate to prepare the financial statements on a going concern basis

1 2 Cashflow

Under FRS1 the Company is exempt from the requirement to prepare a cashflow statement on the grounds that a parent undertaking includes the Company in its own published financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 53 WEEKS ENDED 31 MARCH 2012

1 ACCOUNTING POLICIES – Continued

1 3 Turnover

Turnover is stated net of returns, after deducting discounts and markdowns, and is exclusive of value added tax

Revenue is recognised only when all significant risks and rewards of ownership of goods have been transferred to the purchaser

When vouchers issued on a purchase give a discount against a future purchase, to the extent that these represent an incentive to enter into a future purchase, the estimated fair value of those vouchers to the customer is treated as deferred revenue This is recognised as these vouchers are redeemed over the period until voucher expiry in line with previous years' historic experience

Provision is made for future sales returns expected within the stated return period, based on previous return rates experienced

1 4 Tangible fixed assets and depreciation

Fixed assets are stated at cost, net of depreciation and any provision for impairment

Short leasehold properties are amortised on a straight line basis over the periods of the individual leases

Depreciation is provided to write-off the cost less estimated residual value of the fixed asset by equal instalments over their estimated useful lives as follows -

Fixtures, fittings and equipment	7 5% - 33 33%	Straight Line

1 5 Impairment review

The carrying amounts of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable If any such indication exists, the asset's recoverable amount is estimated

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount Impairment losses are recognised in the profit and loss account

Impairment losses recognised in respect of income-generating units are allocated to reduce the carrying amount of the tangible assets in the unit on a pro rata or more appropriate basis An income generating unit is the smallest identifiable group of assets that generates income that is largely independent of the income streams from other assets or groups of assets

The recoverable amount of fixed assets is the greater of their net realisable value and value in use In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment For an asset that does not generate largely independent income streams, the recoverable amount is determined for the income-generating unit to which the asset belongs

An impairment loss is reversed where the recoverable amount increases as a result of a change in economic conditions or in the expected use of the asset then the resultant reversal of the impairment loss should be recognised in the current period

ROBERT DYAS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 53 WEEKS ENDED 31 MARCH 2012

1. ACCOUNTING POLICIES – Continued

1 5 Impairment review - Continued

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised

1 6 Pre-opening Costs

Pre-opening costs are revenue costs, normally consisting of merchandising staff salaries, occupancy costs and related costs prior to the commencement of trade, at new stores and refurbishments are expensed in the year in which they are incurred

1 7 Stocks

Stocks comprise of goods for resale and are stated at the lower of cost and net realisable value In determining the cost of goods purchased for resale, the average purchase price is used Provisions are made for obsolete, slow moving and defective items

1 8 Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing difference between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19

1 9 Operating Leases

Operating lease rentals paid are charged to the profit and loss account on a straight line basis over the period of the lease

The benefits of any rent free periods are expensed over the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate

1 10 Foreign Exchange

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction, or if hedged forward, at the rate of exchange under the related forward currency contract Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

1 ACCOUNTING POLICIES – Continued

1 11 Pension Scheme

The Company operates a pension scheme This is in two sections, one conferring defined benefits and the other requiring defined contributions The assets of the scheme are held separately from those of the Company in an independently administered fund The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period Contributions relating to the defined benefit section are charged to the profit and loss account so as to spread the cost of pensions over members' working lives with the Company

Pension scheme assets are measured using market values For quoted securities, the bid-market price is taken as the market value Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses

The money purchase scheme contributions are included along with the final salary figures within note 17

1 12 Interest on intra-group balances

The Company charges and receives interest on the balances owed from and to group companies, with effect from 3 April 2005

1 13 Group relief for tax losses

Charge is made by the surrendering Company within the Group for the surplus tax losses that are surrendered via group relief

1 14 Onerous lease contracts

A provision for onerous lease contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

2 TURNOVER

Retail turnover represents the total amount receivable for goods sold exclusive of value added tax and is derived from the Company's principal activity in the United Kingdom.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 53 WEEKS ENDED 31 MARCH 2012 – Continued

3 EMPLOYEE INFORMATION

The year end number of persons employed by the Company, including Directors, during the period was as follows	2012	2011
Selling and distribution	1,097	1,119
Administration	136	133
	1,233	1,252

	2012 £'000	2011 £'000
The aggregate payroll costs of these persons were as follows		
Wages and salaries	14,346	14,330
Social security costs	1,045	1,105
Other pension costs	352	379
	15,743	15,814

4 PROFIT ON ORDINARY ACTIVITIES

Operating profit is stated after charging / (crediting)	2012 £'000	2011 £'000
Auditor's remuneration – audit fee	82	75
New store pre-opening costs	2	238
Loss/(profit) on disposal of tangible fixed assets and store closure costs	231	(314)
Depreciation of tangible fixed assets	1,555	1,704
Exceptional items		
- restructuring costs in respect of senior management changes and the preparation of the transaction referred to in note 22	565	96
- impairment of tangible fixed assets	219	293
- movement in onerous lease provision		
due to change in anticipated costs of disposal	(256)	(392)
due to change in projected trading losses during remainder of lease	599	505
Operating lease rentals - land and buildings	10,236	10,456
- motor vehicles/equipment	203	181

Fees paid to the Company's auditor, KPMG LLP, and its associates for services other than the statutory audit of the Company are not disclosed in Robert Dyas Holdings Limited's accounts since the consolidated accounts of Cleeve Court Holdings Limited, are required to disclose non-audit fees on a consolidated basis

5 DIRECTORS' REMUNERATION

Directors' remuneration is disclosed in the group consolidated accounts, Cleeve Court Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 53 WEEKS ENDED 31 MARCH 2012 – Continued

6 INTEREST RECEIVABLE AND SIMILAR INCOME

	2012 £'000	2011 £'000
Bank interest receivable	6	7
Interest receivable from group companies	11	6
Pension - expected return on assets (note 17)	545	531
	562	544

7 INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £'000	2011 £'000
Bank interest payable	212	227
Bank facility fees	173	143
Interest payable to group companies	12	11
Pension - interest cost (note 17)	495	512
	892	893

8 TAXATION

Analysis of charge in period	2012 £'000	2011 £'000
Current tax:		
Group relief payable	352	366
Current tax on income for the period	-	37
Total current tax	352	403
Deferred taxation		
Origination and reversal of timing differences	-	56
Pension payments in excess of pension costs	64	-
Changes in tax rates	-	13
Total deferred tax (note 13)	64	69
Tax on profit on ordinary activities	416	472

The tax assessed for the period is lower than the standard rate of corporation tax 26% [2011 28%] The differences are shown below

	2012 £'000	2011 £'000
Profit on ordinary activities before tax	186	1,951
Current tax at 26% (2011 28%)	48	546
Effects of		
Capital allowances for period lower than/(in excess of) depreciation	253	(261)
Expenses not deductible for tax purposes	115	139
Other short term timing differences	(64)	(58)
Adjustment in respect of prior periods	-	37
Current tax charge for the period	352	403

9 TANGIBLE FIXED ASSETS

	Short Leasehold Land and Buildings	Fixtures, Fittings & Equipment	Total
	£'000	£'000	£'000
Cost			
At 27 March 2011	2,978	27,345	30,323
Additions	13	739	752
Disposals	(842)	(1,064)	(1,906)
At 31 March 2012	2,149	27,020	29,169
Depreciation			
At 27 March 2011	2,306	20,356	22,662
Charged in period	108	1,447	1,555
Impairment loss	23	196	219
Disposals	(825)	(1,058)	(1,883)
At 31 March 2012	1,612	20,941	22,553
Net Book Value			
At 31 March 2012	537	6,079	6,616
At 26 March 2011	672	6,989	7,661

The impairment loss of £219,000 [2011 £293,000] relates to individual store income-generating units The recoverable amount of the related fixed assets have been assessed based on value in use

10 STOCKS

	2012 £'000	2011 £'000
Goods for resale	13,334	14,495

11 DEBTORS

	2012 £'000	2011 £'000
Trade debtors	274	539
Other debtors	245	78
Prepayments and accrued income	4,214	5,747
Amounts owed by parent company	2,537	1,619
	7,270	7,983

12 CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £'000	2011 £'000
Bank loans and overdrafts	4,800	4,500
Trade creditors	6,374	7,596
Other taxation and social security	1,949	1,526
Accruals and deferred income	2,459	3,148
Other creditors	7	54
	15,589	16,824
Amounts owed to group companies	2,508	2,499
	18,097	19,323

At the end of the period the Company had a working capital facility of £5,200,000 As at the balance sheet date £4,800,000 [2011 £4,500,000] of the £5,200,000 working capital facility has been utilised

In addition, at the end of the period, the Company had letter of credit facilities amounting to £4,750,000 As at the balance sheet date £3,093,000 [2011 £2,670,000] of the £4,750,000 letter of credit facilities have been utilised

On 10 July 2012, following the transaction referred to in note 1 and note 22, all the banking facilities existing at the period end have been terminated and been replaced with the following facility

- A transitional facility of £3,750,000, due for review in October 2012 The interest rate on the facility is 1 875% above LIBOR

13 PROVISION FOR LIABILITIES AND CHARGES

	Onerous lease provision £'000	Deferred taxation £'000	Total £'000
Balance at 27 March 2011	(3,976)	(13)	(3,989)
Transfer to net pension liability	-	13	13
Trading losses charged to provision	1,058	-	1,058
Credited/(charged) to the profit and loss account			
Change in anticipated costs of disposals	306	-	306
Change in anticipated trading through to lease expiry	(599)	-	(599)
As at 31 March 2012	(3,211)	-	(3,211)

Provision for onerous lease

The Company enters into lease agreements for stores An onerous contract provision is made for a leased retail outlet trading at a loss if certain conditions are met such as a full impairment write-down has been made for the fixed assets, the trading loss is a direct result of the magnitude of the rental and there is no realistic prospect of management improving the trading to the extent necessary to recover the lease rental The net obligation under these leases has been provided for

13 PROVISION FOR LIABILITIES AND CHARGES - Continued

Deferred taxation

The Company has provided fully for deferred taxation in accordance with Financial Reporting Standard 19, in the current year at 24% [2011 27%] Deferred tax is included in the balance sheet as follows

	Included in provisions	Included in net pension liability	Total
	£'000	£'000	£'000
Balance at 27 March 2011	(13)	101	88
Transfer to net pension liability	13	(13)	-
Transfer to the Statement of Total Recognised Gains and Losses	-	133	133
Transfer to profit and loss account (note 8)	-	(64)	(64)
As at 31 March 2012	-	157	157

The Company has unrecognised deferred tax assets of £1,403,702 [2011 £952,211] in respect of accelerated capital allowances on the basis that there is insufficient evidence that the asset will be recovered through future taxable profits The above amounts are all tax amounts

In March 2011, the Chancellor of the Exchequer announced that the main rate of UK corporation tax would reduce from 27% to 26% with effect from 1 April 2011 This tax change was substantively enacted in July 2011

On 21 March 2012 the Chancellor announced an additional 2% reduction in the main rate of UK corporation tax to 24% with effect from 1 April 2012 This was substantively enacted on 26 March 2012 and therefore the effect of the change on the deferred tax balances as at 31 March 2012 has been included in the figures above The Chancellor proposed further changes to reduce the rate by one per cent per annum to 22 per cent by 1 April 2014 The reduction in rate to 23% from 1 April 2013 was substantively enacted by Finance Bill 2012 on 3 July 2012, post balance sheet and is therefore not included in the figures above The reduction to 22% is expected to be included in Finance Bill 2013

14 CALLED UP SHARE CAPITAL

	2012	2011
	£'000	£'000
Allotted, called up and fully paid		
Equity interests 14,122,160 Ordinary shares of 5p each	706	706

15 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share Capital	Share Premium	Capital contribution reserve	Profit & loss reserve	Total
	£'000	£'000	£'000	£'000	£'000
At 27 March 2011	706	6,989	3,515	(2,614)	8,596
Loss for the period	-	-	-	(230)	(230)
Actuarial loss recognised in respect of the pension scheme (net of deferred tax)	-	-	-	(454)	(454)
Balance at 31 March 2012	706	6,989	3,515	(3,298)	7,912

The profit and loss reserve is analysed as follows

	Pension reserve	Profit & loss account	Total
	£'000	£'000	£'000
At 27 March 2011	(953)	(1,661)	(2,614)
Loss for the period	-	(230)	(230)
Actuarial loss recognised in respect of the pension scheme (net of deferred tax)	(454)	-	(454)
Balance at 31 March 2012	(1,407)	(1,891)	(3,298)

16 OPERATING LEASES

Commitments to pay rents during the next year under operating leases on land, buildings and equipment are as follows

	2012 Land & Buildings	2012 Equipment	2011 Land & Buildings	2011 Equipment
	£'000	£'000	£'000	£'000
On leases expiring within				
One year	2,141	40	1,581	30
Two to five years	3,186	143	4,160	124
Over five years	5,026	-	5,150	-
	10,353	183	10,891	154

17 PENSIONS

The Company operates one main pension scheme for its employees, the Robert Dyas Limited Pension and Life Assurance Scheme The scheme was converted from a defined benefit structure to a defined contribution structure in respect of pensionable employment from 1 April 2000, but retained some defined benefit liabilities in respect of benefits accrued to 31 March 2000
The details below relate to the defined benefit section of the scheme In addition, the Company's contributions payable to the defined contribution section of the scheme were £123,000 [2011 £116,000] for the period ended 31 March 2012
The scheme's assets are held separately from the assets of the Company and are administered by trustees and managed professionally
A full actuarial valuation of the final salary section was carried out as at 1 April 2010 and has been updated to 31 March 2012 by a qualified independent actuary

The main assumptions used by the actuary were

	At 31 March 2012	At 26 March 2011	At 27 March 2010	At 28 March 2009	At 28 March 2008
Rate of inflation	2 90%	3 25%	3 25%	2 75%	3 5%
Rate of increase in pensions in payment					
Pre 97 pension	3 00%	3.00%	3 00%	3 00%	3 00%
Post 97 pension	3 10%	3 20%	3 50%	3 30%	3 70%
Rate of revaluation of pensions in deferment	2 00%	2 50%	3 25%	2 75%	3 50%
Discount rate	5 20%	5 70%	5 75%	6 70%	6 75%
Mortality rate	105% of S1PXA CMI_2011 [1 0%]	105% of S1PXA CMI_2009 [1 0%]	120% of PNMA00 lc min 1% males/0 5% females	120% of PNMA00 lc min 1% males/0 5% females	100% of PMA92 mc C2020
Commutation allowance	20%	12 5%	12 5%	12 5%	Nil

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 53 WEEKS ENDED 31 MARCH 2012 – Continued

17 **PENSIONS - Continued**

The assets in the scheme and the expected rates of return were

	31 March 2012		26 March 2011	
	Expected Long Term Return %	Value £'000	Expected Long Term Return %	Value £'000
Equities	7 00	6,317	7 50	5,589
Bonds	5 00	2,707	4 30	2,647
Other	3 00	23	3 00	44
Total market value		9,047		8,280
Present value of scheme liabilities		(9,700)		(8,591)
Deficit in the scheme		(653)		(311)
Related deferred tax asset		157		101
Net scheme liability		(496)		(210)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 53 WEEKS ENDED 31 MARCH 2012 – Continued

17 **PENSIONS - Continued**

	2012	2011
	£'000	£'000
Amounts recognised in the Profit & Loss Account		
Current service cost	-	-
Interest cost	(495)	(512)
Expected return on assets	545	531
(Gains)/losses on settlements & curtailments	-	-
Past service cost	-	-
Effect of limit on recognisable surplus	-	-
Total P&L return	50	19
Amount recognised in STRGL		
Actual less expected return on assets	208	37
Experience (losses)/gains on liabilities	(124)	48
Effect of change in assumptions on liabilities	(671)	708
Deferred tax thereon	153	(214)
Impact of tax rate changes	(20)	-
Total (loss)/gain recognised in STRGL	(454)	579
Reconciliation of assets and liabilities		
Fair value of assets at the beginning of the period	8,280	7,665
Expected return on assets	545	531
Employer contributions	195	188
Contributions by scheme participants	-	-
Benefits paid	(181)	(141)
Actuarial gain on assets	208	37
Change due to settlements and curtailments	-	-
Fair value of assets at the end of the period	9,047	8,280
Total liabilities at the beginning of the period	8,591	8,976
Current service cost	-	-
Contributions by scheme participants	-	-
Past service costs	-	-
Interest cost	495	512
Benefits paid	(181)	(141)
Actuarial loss/(gain) on liabilities	795	(756)
Change due to settlements and curtailments	-	-
Total liabilities at the end of the period	9,700	8,591

The total amount recognised in the consolidated statement of total recognised gains and losses in respect of actuarial gains and losses is £454,000 loss [2011 £579,000 gain]

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 53 WEEKS ENDED 31 MARCH 2012 – Continued

17 **PENSIONS – Continued**

Cumulatıve actuarıal gaıns/losses reported ın the consolıdated statement of total recognısed gaıns and losses for accountıng perıods endıng on or after 22 June 2002 and subsequently ıncluded by prıor year adjustment under paragraph 96 of FRS17, are losses of £410,000 [2011 £44,000 gaın]

History of experience gains & losses

	2012	2011	2010	2009	2008
Present value of scheme lıabılıtıes	9,700	8,591	8,976	6,950	7,245
Scheme assets	9,047	8,280	7,665	5,709	7,049
Defıcıt	(653)	(311)	(1,311)	(1,241)	(196)
Actuarıal (losses)/gaıns on scheme lıabılıtıes	(795)	756	(1,735)	653	1,357
Experıence adjustments on scheme assets	208	37	1,491	(1,859)	(778)

18 **GUARANTEES AND CONTINGENT LIABILITIES**

The Company ıs party to a group VAT regıstratıon wıth ıts parent company and fellow group subsıdıarıes, Cleeve Court Holdıngs Lımıted, Robert Dyas Property Lımıted, Rıverdance Acquısıtıon Lımıted, Rıverdance Holdıng Lımıted and Rıverdance Lımıted and as such has joınt and several lıabılıtıes for amounts due to HM Revenue and Customs The amount due at 31 March 2012 was £1,607,665 [2011 £1,204,436]

The Company has granted a fixed and floatıng charge over ıts assets ın favour of Lloyds Bankıng Group plc and Allıed Irısh Banks plc ın respect of the Company's oblıgatıons under the bankıng facılıty agreements of both the Company, fellow subsıdıarıes and the parent company, ı e Robert Dyas Property Lımıted, Rıverdance Acquısıtıon Lımıted, Rıverdance Holdıng Lımıted, Rıverdance Lımıted and Cleeve Court Holdıngs Lımıted At 31 March 2012 amounts owed by Cleeve Court Holdıngs Lımıted and covered by thıs arrangement totalled £19,800,000 [2011 £19,500,000] On 10 July 2012, followıng the transactıon referred to ın note 1 and note 22, these charges have been termınated

19 **CAPITAL AND FINANCIAL COMMITMENTS**

At 31 March 2012, the Company's capıtal and fınancıal commıtments other than those dısclosed ın Note 16 Operatıng Leases were as follows

	2012 £'000	2011 £'000
Authorısed by the Board and contracted for but not provıded for ın the fınancıal statements	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 53 WEEKS ENDED 31 MARCH 2012 – Continued

20 RELATED PARTY DISCLOSURES

During the period the Company paid £36,000 [2011 £36,000] in respect of consultancy services from a company associated with Ian Gray, who was a non executive Director until 10 July 2012

Advantage has been taken of the exemption available in FRS 8 from disclosing transactions with group companies, as these are included in the group accounts prepared by Cleeve Court Holdings Limited

21 CONTROLLING PARTY

The Company is a wholly owned subsidiary of Cleeve Court Holdings Limited

The largest and only group in which the results of Robert Dyas Holdings Limited are consolidated is that of Cleeve Court Holdings Limited Copies of the group accounts can be obtained from the registered office address set out on page 1

22 POST BALANCE SHEET EVENTS

On 10 July 2012, the parent company Cleeve Court Holdings Limited was acquired by Gladys Emmanuel Limited, a company ultimately owned by Theo Paphitis

Following the acquisition, the banking facility agreements of both the Company and its fellow group subsidiaries were terminated, including the fixed and floating charge over its assets in favour of Lloyds Banking Group plc and Allied Irish Banks plc

All utilisations under the banking facilities existing at the period end were repaid in accordance with the terms and conditions of those arrangements

Transitional arrangement letter of credit banking facilities of £3,750,000 have been provided by Lloyds TSB Bank plc to the Company for an interim period and will be reviewed in October 2012 These facilities have been fully cash collateralised by placing the £3,750,000 into a deposit account with Lloyds TSB Bank plc by Theo Paphitis Funding Limited