

Robert Dyas Holdings Limited



Report & Accounts

52 weeks ended

27 March 2010

Company Number 4041884

ROBERT DYAS HOLDINGS LIMITED

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FOR THE 52 WEEKS ENDED 27 MARCH 2010

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ROBERT DYAS HOLDINGS LIMITED

DIRECTORS AND ADVISERS

G Brady	(Chairman)
S R Round	(Chief Executive)
I A Gray	(Non-executive Director)
C G Coles	(Finance Director)
P C Green	(Commercial Director)

COMPANY SECRETARY

C G Coles

REGISTERED OFFICE

Cleeve Court
Cleeve Road
Leatherhead
Surrey
KT22 7SD

AUDITORS

KPMG LLP
8 Salisbury Square
London
EC4Y 8BB

BANKERS

Lloyds Banking Group plc
25 Monument Street
London
EC3R 8BQ

Allied Irish Banks, p l c
St Helen's
1 Undershaft
London
EC3A 8AB

WEB SITE

www.robertdyas.co.uk

ROBERT DYAS HOLDINGS LIMITED

CHAIRMAN'S STATEMENT **FOR THE 52 WEEKS ENDED 27 MARCH 2010**

1 INTRODUCTION

This is my first Chairman's statement for the Company

The year under review began with the completion of the management buyout that had consumed much management effort for several months previously. My predecessor as Chairman, Ian Gray, then led the process of restructuring the Group's balance sheet, to put in place a more appropriate financial structure. This provided significantly increased financial headroom and a reduction in our underlying cost of borrowing by nearly £2m per year. As part of these new arrangements, our bankers, Lloyds Banking Group and Allied Irish Banks plc, have significantly reduced the Group's debt, have taken a stake in Cleeve Court Holdings Limited and have also increased the level of working capital facilities to support the business in what has been at times a very challenging economic environment. We are extremely grateful for their support and commitment. These new arrangements ended a period of considerable financial uncertainty for the business, thus safeguarding the future of its employees and stores across the South of England.

The process was eventually completed on 10 September at which point I was invited by the Board to join them as Chairman. The Board is hugely grateful to Ian for his leadership of the restructuring of our balance sheet, and I am delighted that he has agreed to stay on the Board as a non-executive director. In further changes to our Board structure, Graham Coles has joined the board as Finance Director and Phil Green as Commercial Director.

2. TRADING AND DEVELOPMENT

Although the financial restructuring dominated the year under review, I am very pleased to report that excellent progress has been made both in delivering improved trading performance in the short term, and in laying down the foundations for sustained growth over the longer term.

After a difficult start to last year, with adverse publicity prior to the buyout affecting supplier confidence and impacting supply, trading strengthened considerably. Despite unfavourable weather in the second half, particularly in the final Christmas trading week, followed by the VAT increase in the New Year, like-for-like sales grew by 1% in the final nine months of the year to leave VAT-inclusive sales for the year as a whole just short of the previous year. As a result of tight margin and cost control, underlying Earnings Before Exceptional Items, Interest, Taxation, Depreciation and Amortisation ("EBITDA") at £4.6m is some 5% ahead of that last year, the first growth in EBITDA reported by the business in the last five years, despite very unfavourable trading circumstances for much of the period.

Considerable effort has been invested in updating the Robert Dyas brand to make it more relevant to today's world. This will be reflected in the new look of our stores, the quality and range of our product and in our marketing programme. Our customers first experienced the outcome of this work at our refurbished Maidenhead store. The success of this pilot has resulted in four further refurbishments, all of which are trading well, and with further refurbishment activity to follow this year.

Following from improved trading and a stronger financial position, we have, after a gap of over two years, resumed investment in new stores, with two stores opening in the year. The initial success of this investment, in terms of both financial returns and customer reaction, has resulted in our Board and our Investors approving an accelerated new store development programme in the new financial year.

3. OUTLOOK

We have made good progress in putting the building blocks of a sustained recovery into place. We have a strong balance sheet, a clear trading strategy and commitment from all stakeholders in our business to support the continuation of our recovery going forward. After a challenging period in the long history of Robert Dyas our Board looks forward to the future with confidence.

Geoff Brady
29 June 2010

ROBERT DYAS HOLDINGS LIMITED

REPORT OF THE DIRECTORS **FOR THE 52 WEEKS ENDED 27 MARCH 2010**

1. INTRODUCTION

The Directors submit their report for the period ended 27 March 2010. The Company prepares accounts to the last Saturday before the 31 March each year. Accordingly, the current year is a 52 week period. The comparative period is for the 52 weeks ended 28 March 2009.

During the period ended 27 March 2010, the Company's principal activity was the retailing of products for the home and garden. At the beginning of the financial year, the ultimate owners of the business were Change Capital Partners LLP. On 8 April 2009, ownership of the business was transferred to Cleeve Court Holdings Limited (CCHL), a company then owned by certain senior managers of the business. On 10 September 2009, the majority of non-voting shares in CCHL were subscribed for by the company's bankers, Lloyds Banking Group plc and Allied Irish Bank plc following a debt-for-equity conversion. At the same time, further senior managers acquired or subscribed for shares.

As discussed in note 1.1 to the financial statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing these financial statements.

2. REVIEW OF ACTIVITY AND FUTURE TRADING

The Company's principal activity is the retailing of home and garden products at 98 stores and 6 concessions located in the South of England. Robert Dyas is positioned as a "convenience" retailer of everyday items with most of its stores located in traditional High Streets and local shopping centres, often in smaller market towns and workplace locations.

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 "bricks & mortar" retailers, we also compete with internet retailers, and have developed our own web-based store, www.robertdyas.co.uk.

3. BUSINESS REVIEW

OBJECTIVES AND STRATEGY

Our objective and strategy has not changed since we last reported to shareholders.

Robert Dyas' objective is to grow sales profitably and thereby realise excellent returns for its shareholders and other stakeholders.

We will deliver this objective by driving the existing chain and leveraging existing assets, while continuing to exploit the significant opportunity offered by development of new stores and alternative channels.

Our particular strengths enabling us to deliver this objective are the affection and loyalty that our customers have for our brand, our committed and knowledgeable colleagues serving those customers and our long established presence on High Streets throughout South East England.

ROBERT DYAS HOLDINGS LIMITED

REPORT OF THE DIRECTORS **FOR THE 52 WEEKS ENDED 27 MARCH 2010 – Continued**

BUSINESS REVIEW – Continued

Our brand proposition builds upon these strengths and guides our business activities -

- To help our customers create and maintain their homes with a wide offer of well edited, quality product ranges that are always available and offer good value for money
- To offer advice, solutions and inspiration local to the home – either in the High Street or via the internet

This brand proposition has been applied to our new store format first seen, as previously reported, at Maidenhead, and is now being applied to product selection, colleague development and our marketing programme

RISKS AND UNCERTAINTIES

The Directors use a number of KPI's which they consider are effective to measure delivery of their strategy, and which assist in minimising 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)

The most significant investment that the Company makes each year is its investment in stock. Processes are in place to mitigate this risk 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.

Robust and effective financial processes are in place to ensure that margins, costs and cashflows are properly controlled.

The level of consumer spending in the markets in which we trade, and, potentially in some of our products, increased competition from supermarkets and the internet remain the principal risks to the business.

The Company is dependent for its working capital on access to funds forming part of the banking facilities held by other group companies. Financial covenant requirements, primarily relating to debt, cash generation and EBITDA are in place under the banking facility agreements. The Company routinely monitors its financial performance against those covenants and reports performance to the banks on a monthly basis. In addition the Company has granted fixed and floating charges over all the Company's assets and undertakings under a debenture granted to secure the banking facilities.

Financial risks are minimised through various financial instruments. The Company directly imports an increasing 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 fixed at the same time as the dollar price. Interest rates on our borrowings are largely fixed for the medium-term under "swap" arrangements (albeit at rates above current prevailing rates), with the result that the Company has only limited exposure to future increases in interest rates.

The defined benefit pension scheme showed a deficit (net of deferred tax) of £940,000 at the year end (2009 £889,000). The increase in the deficit is primarily the consequence of a fall in the value of scheme assets. Any increase in contributions required to clear this increased deficit is unlikely to be material. If the value of the scheme assets were to decline further relative to its liabilities, the Company might need to make a further additional contribution 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.

ROBERT DYAS HOLDINGS LIMITED

REPORT OF THE DIRECTORS **FOR THE 52 WEEKS ENDED 27 MARCH 2010 – Continued**

BUSINESS REVIEW – Continued

PERFORMANCE

TRADING

There have been many challenges in the year just completed. Uncertainty regarding the Group's future in the early part of the year resulted in interruptions to product supply and poor availability in store with consequent loss of sales. The weather in the summer of 2009 was more supportive to our seasonal range than in 2008, but was disappointing relative to some forecasts. Following the restructuring in September 2009, supplier confidence was largely restored (despite there being only a partial availability of credit insurance) and availability returned to normal levels. Trading conditions for Robert Dyas subsequently improved in early Autumn, but November was abnormally wet, discouraging early Christmas shopping in our predominantly High Street locations. This was then followed by snow, first arriving in what would otherwise have been our peak Christmas trading week, and then returning in the New Year. Finally, VAT was raised to 17.5% in the last quarter. This tax increase was largely absorbed by ourselves, rather than being passed onto customers in a fragile retail economy, with an inevitable negative impact on margins.

In the context of these very challenging conditions, we have been able to make some surprisingly good progress through the application of basic retail disciplines. Our day-to-day ranges have been comprehensively reviewed, and appropriate changes made. New product categories have been constantly trialled, with successful categories being rolled out across the estate, and less successful categories being swiftly exited. We continue to make progress in optimising our allocation of investment in stock and space. Further progress in this area is anticipated in the new financial year as we begin to benefit from significant investment in merchandise planning systems in the year under review.

We began to establish a Direct Import programme in 2008. This was significantly extended in the year under review. Direct Importing not only provides opportunities to improve margin, it also gives us access to unique product designed to meet the needs of the Robert Dyas customer. A Robert Dyas cookware range was introduced in the autumn with sales very significantly exceeding our expectations. This success has led to further own label ranges being designed for delivery in the new financial year.

Following the success of our pilot concept store at Maidenhead, a further four stores were refurbished in the year. We are very pleased with the results, and as a consequence we will be continuing the refurbishment into the new financial year.

Our home shopping website www.robertdyas.co.uk was redeveloped in early 2009. Initial growth fell short of expectations but more recently, following changes to processes and presentation, we are seeing the gains we had originally anticipated. Home Shopping remains an integral part of our total offer.

Operations in Somerfield stores were significantly affected by rationalisation of the Somerfield estate following its acquisition by Cooperative Retail, which has resulted in three of our nine concessions closing. This shortfall has been more than offset by the recent opening of six franchises in Le Riche supermarkets in the Channel Isles.

As a result of these efforts, like-for-like sales (VAT-inclusive sales on the Internet and in Main Chain shops that were open throughout both the year under review and the previous year) were only marginally short of the previous year with a shortfall of 0.6%. Sales in the last nine months of the year, following resolution of supply problems in the first quarter, were 1.0% ahead of the previous year on a like-for-like basis.

ROBERT DYAS HOLDINGS LIMITED

REPORT OF THE DIRECTORS**FOR THE 52 WEEKS ENDED 27 MARCH 2010 – Continued****BUSINESS REVIEW – Continued****TRADING (Continued)**

Total VAT-inclusive sales after these openings and closures at £124,636,000 (2009 £125,595,000) were slightly down on last year. Excluding VAT, the corresponding numbers were £108,171,000 (2009 £107,838,100). This trading result has been translated into profit growth through the application of tight margin and cost controls. Following significant productivity improvements, underlying EBITDA (Earnings Before Exceptional Items, Interest, Taxation, Depreciation and Amortisation) has grown by 5% to £4.6m against £4.4m in 2009. Underlying EBITDA is calculated as follows:

	2010	2009
	£'000	£'000
Operating Profit/(loss)	1,342	(10,653)
Add back -		
Depreciation and Impairment	1,406	1,570
Intercompany Impairment loss	-	6,661
New Store Pre-Opening Costs	65	110
Profit and Loss on asset disposals	93	-
Store closure costs	184	-
Change in onerous lease provision due to change in anticipated costs of disposals	963	3,752
Management fee	-	1,000
Exceptionals restructuring	574	1,947
Underlying EBITDA	<u>4,627</u>	<u>4,387</u>

PROPERTY

Three stores were closed during the year as a result of their poor trading prospects and their off strategy locations. The closure of these stores reduces the underperforming part of the portfolio. Management continue to seek opportunities to exit similar stores in the portfolio. A fourth store, our profitable store at Moorgate, was closed following a compulsory purchase order as a result of the Crossrail project, compensation is being pursued.

New stores were opened in the year at East Sheen and Loughton, our first openings for more than two years. These are the first new stores to reflect our new brand proposition, and so we are very encouraged that trading is running ahead of our initial expectations. Since the year end, we have extended our geographical catchment by successfully opening a store in Solihull. We now have a very clear development strategy in terms of target store configuration and catchment, and will build upon the initial success of these new openings through an accelerated new opening programme in the new financial year and beyond.

ROBERT DYAS HOLDINGS LIMITED

REPORT OF THE DIRECTORS **FOR THE 52 WEEKS ENDED 27 MARCH 2010 – Continued**

BUSINESS REVIEW – Continued

OUTLOOK

We stated last year that our initial objective was to resume EBITDA growth. We have achieved that objective in the year under review. Our objective now is to accelerate that growth through a combination of like for like sales growth and a modest acceleration in our development programme.

In our existing estate, sales in the new year are ahead of last year, both on a like for like basis, and in total. In terms of development, we are at an advanced stage of negotiations in respect of several further new units scheduled for opening this year.

The building blocks to deliver sales and EBITDA growth are in place. We have a clear strategy, strong financing, committed stakeholders and appropriate management capability. With a supportive external environment, we can look forward to the future with confidence.

CAPITAL EXPENDITURE AND CASH

Tangible fixed assets acquired during the year, mainly incurred on store fixtures, fittings and equipment amounted to £1,963,000 (2009 £1,121,000). The cash balance held at the bank on 27 March 2010 was £2,040,000 (2009 £2,651,000).

4. PEOPLE

Mention has to be made of our loyal and hard working staff. The Company would not be able to achieve such sales results in a difficult market without the energy and dedication of its management and staff, providing customers with a pleasant shopping experience and driving sales.

The Company maintains close consultation with its employees 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. During the year several initiatives were introduced including regular trading updates and an employee forum with members from all levels across the business.

The Company holds the 'Investors in People' accreditation.

The Company is an equal opportunities employer.

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 member of staff who develops a disability during employment.

5. DIRECTORS

The Directors who served during the year were as follows:

S R Round	
I A Gray	(appointed 8 April 2009)
G Brady	(appointed 10 September 2009)
C G Coles	(appointed 10 September 2009)
P C Green	(appointed 10 September 2009)
R A Holmes	(resigned 8 April 2009)
S Petrow	(resigned 8 April 2009)
J T Cargo	(resigned 8 April 2009)

Under the Company's Articles of Association it is not necessary for Directors to retire by rotation.

ROBERT DYAS HOLDINGS LIMITED

REPORT OF THE DIRECTORS **FOR THE 52 WEEKS ENDED 27 MARCH 2010 – Continued**

6. DIRECTORS' SHARES AND INTERESTS

The Directors who held office during the financial year did not have any interests in the share capital of the Company at the balance sheet date of 27 March 2010 or at 28 March 2009

According to the register of Directors' interests, no rights to subscribe for shares in or debentures of group companies were granted to any of the Directors or their immediate families, or exercised by them, during the financial year

7. DIRECTORS' RESPONSIBILITIES

The following statement is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and the auditors in relation to the financial statements

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 judgments 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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

8. PROFIT AND LOSS

Retained (loss)/profit for the period was	2010	2009
	£'000	£'000
Profit/(Loss) after taxation	<u>2,494</u>	<u>(10,491)</u>

9. DIVIDEND

During the period, the Company received a dividend of £6,784,000 (2009 £nil) from its then subsidiary Riverdance Limited (formerly Robert Dyas Limited). On 10 September 2009, as part of the restructuring and refinancing transaction referred to in note 11, the Company declared and approved a dividend payment of £14,695,000 to its parent company immediately prior to the transaction, Riverdance Acquisition Limited and a further dividend of £24,000 to its parent company immediately after the transaction, Cleeve Court Holdings Limited

ROBERT DYAS HOLDINGS LIMITED

REPORT OF THE DIRECTORS
FOR THE 52 WEEKS ENDED 27 MARCH 2010 – Continued

10. 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

Creditor payments relating to stock purchased for resale at 27 March 2010 equated to 46 days (2009 60 days)

11. CHARITABLE AND POLITICAL DONATIONS

During the year the Company made a £500 donation to Cancer Research (2009 £nil) No political donations were made during the year (2009 £nil)

12. 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

13. 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 ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

14. AUDITORS

KPMG LLP have expressed their willingness to accept re-appointment as auditors and a resolution will be proposed at the Annual General Meeting to appoint them as auditors and to authorise the Directors to fix their remuneration



By Order of the Board
C G Coles

29 June 2010

Company Number 4041884

Cleeve Court
Cleeve Road
Leatherhead
Surrey
KT22 7SD

ROBERT DYAS HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ROBERT DYAS HOLDINGS LIMITED

We have audited the financial statements of Robert Dyas Holdings Limited for the 52 week period ended 27 March 2010 set out on pages 11 to 26. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 8, 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

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

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 27 March 2010 and of its loss for the 52 week 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.

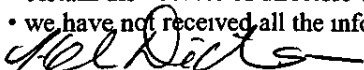
Opinion on other matter prescribed by the Companies Act 2006

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

8 Salisbury Square
London
EC4Y 8BB

29 June 2010

ROBERT DYAS HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 27 MARCH 2010

		<u>52 Weeks ended</u>		<u>52 Weeks ended</u>	
		<u>27 March 2010</u>		<u>28 March 2009</u>	
	Notes	£'000	£'000	£'000	£'000
TURNOVER	2		108,171		107,838
Cost of sales			<u>(62,791)</u>		<u>(61,732)</u>
GROSS PROFIT			45,380		46,106
Selling and distribution expenses			(38,641)		(39,782)
Administrative expenses before exceptional items		(3,105)		(4,322)	
Exceptional item - onerous lease cost	4	(1,687)		(3,752)	
Exceptional item - Impairment losses	4	(31)		(6,956)	
Exceptional item - restructuring costs	4	<u>(574)</u>		<u>(1,947)</u>	
Administrative expenses			<u>(5,397)</u>		<u>(16,977)</u>
OPERATING PROFIT/(LOSS)			1,342		(10,653)
Interest receivable and similar income	6	502		694	
Interest payable and similar charges	7	<u>(657)</u>		<u>(488)</u>	
Profit on sale of group undertakings		<u>1,541</u>		<u>-</u>	
			1,386		206
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	4		<u>2,728</u>		<u>(10,447)</u>
Taxation	8		<u>(234)</u>		<u>(44)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION			<u>2,494</u>		<u>(10,491)</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Profit/(Loss) for the period		2,494	(10,491)
Actuarial (loss) recognised in respect of the pension fund (net of deferred tax)	18	<u>(176)</u>	<u>(868)</u>
Total recognised gains and losses for the period		<u>2,318</u>	<u>(11,359)</u>

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

The notes on pages 13 to 26 form part of these financial statements

ROBERT DYAS HOLDINGS LIMITED

BALANCE SHEET AS AT 27 MARCH 2010

		<u>27 March 2010</u>		<u>28 March 2009</u>	
	Notes	£'000	£'000	£'000	£'000
<u>FIXED ASSETS</u>					
Tangible assets	9		7,835		7,371
Investments	10		-		8,181
			<u>7,835</u>		<u>15,552</u>
<u>CURRENT ASSETS</u>					
Stocks	11	14,751		13,394	
Debtors	12	6,480		19,850	
Cash at bank and in hand		2,040		2,651	
		<u>23,271</u>		<u>35,895</u>	
<u>CREDITORS:</u> amounts falling due within one year	13	<u>(19,028)</u>		<u>(30,675)</u>	
<u>NET CURRENT ASSETS</u>			<u>4,243</u>		<u>5,220</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			12,078		20,772
<u>PROVISION FOR LIABILITIES & CHARGES</u>	14		(4,600)		(3,752)
<u>NET ASSETS EXCLUDING PENSION LIABILITY</u>			<u>7,478</u>		<u>17,020</u>
Net pension liability	18		(940)		(889)
<u>NET ASSETS</u>			<u>6,538</u>		<u>16,131</u>
<u>CAPITAL & RESERVES</u>					
Called up share capital	15		706		706
Share premium	16		6,989		6,989
Capital contribution reserve	16		3,515		-
Profit and loss account	16		(4,672)		8,436
<u>EQUITY SHAREHOLDERS' FUNDS</u>			<u>6,538</u>		<u>16,131</u>

The financial statements were approved by the Board on 29 June 2010 and signed on its behalf by

S R Round

DIRECTORS

C G Coles

The notes on pages 13 to 26 form part of these financial statements

ROBERT DYAS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 MARCH 2010

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

As at the prior period end, 28 March 2009, the Company was a wholly owned subsidiary of Riverdance Acquisition Limited, which in turn was a wholly owned subsidiary of Riverdance Holding Limited, and which in turn was a wholly owned subsidiary of Riverdance Group Limited. Riverdance Group Limited was ultimately owned by Change Capital Funds LP. The Riverdance group of companies met its day to day working capital requirements and funding requirements through bank loans and facilities, held by the Company and Riverdance Holding Limited, the Company's intermediate parent company.

On 8 April 2009 Riverdance Group Limited, whose only activity as a holding company, was placed into administration by its Directors. As part of this process Riverdance Group Limited sold the Group headed by Riverdance Holding Limited, to a new ultimate holding company, Cleeve Court Holdings Limited, a company owned by certain senior executives of Robert Dyas. The terms of the banking facility agreements held by the Group were amended by the Banks on 8 April 2009 as follows:

- Any rights relating to events of default existing at 8 April 2009 which arose on the breach of certain of the financial covenants were waived,
- The working capital facility was increased from £2m to £3.2m,
- The principal repayments due in January 2009 and January 2010 were deferred to January 2011, and
- The future financial covenant requirements were reset.

On 10 September 2009, as part of a restructuring and refinancing transaction, Riverdance Holding Limited transferred its ownership of Riverdance Acquisition Limited to Cleeve Court Holdings Limited and Riverdance Acquisition Limited transferred its ownership of the Company to Cleeve Court Holdings Limited. As a result, Riverdance Holding Limited, Riverdance Acquisition Limited, Riverdance Limited, Robert Dyas Property Limited (incorporated 30 March 2009), Cleeve Court Trust Company Limited (incorporated 4 September 2009) and the Company are now direct subsidiaries of Cleeve Court Holdings Limited. The new group (the "New Group") therefore comprises the group of companies headed by Cleeve Court Holdings Limited.

The terms of the banking facility agreements previously held by the Group headed by Riverdance Holding Limited were amended by the banks on the same day to arrive at the current arrangements as follows:

- The Senior debt was novated to Cleeve Court Holdings Limited and reduced from £19.4m at 28 March 2009 to £15m (expiring on 31 December 2012) following a debt for equity conversion by Cleeve Court Holdings Limited,
- The Mezzanine debt was novated to Cleeve Court Holdings Limited and reduced from £10.9m at 28 March 2009 to zero following a debt for equity conversion by Cleeve Court Holdings Limited,
- The working capital facility was novated to the Company and increased from £3.2m to £5.2m,
- The mandatory debt repayments due under the previous arrangements have been replaced by "cash sweep" arrangements based on the cash generated by the business in the previous accounting period,
- The future financial covenant requirements were reset.

ROBERT DYAS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 27 MARCH 2010 – Continued**ACCOUNTING POLICIES - Continued**

The Company is dependent for its working capital on access to funds forming part of the banking facilities held by Cleeve Court Holdings Limited and the Company. In addition the Company has granted fixed and floating charges over all the Company's assets and undertakings under a debenture granted to secure the banking facilities.

Projected cash flow information for the New Group has been prepared for the period ending 15 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 New Group is capable of operating within the amended facilities now available and meeting the revised financial covenant tests 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 New 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 funds available to the New Group and the ability of the New Group to operate within the financial covenants, 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 Company and will be implemented as required.

Having discussed and considered the basis of preparation and the assumptions underlying the New Group's cash flow projections, of which the Company forms a part, the Directors have a reasonable expectation that the Company 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 FRS 1 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.

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.

ROBERT DYAS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 27 MARCH 2010 – Continued**ACCOUNTING POLICIES – Continued****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 -

Motor vehicles	25%	Straight Line
Fixtures, fittings and equipment	7.5% - 33.33%	Straight Line

1 5 Impairment review

Provisions for impairment are made in accordance with Financial Reporting Standard 11. These provisions are made by reference to the realistic potential of each store to achieve a positive cash contribution in the near future

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 differences 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

ROBERT DYAS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 27 MARCH 2010 – Continued**ACCOUNTING POLICIES - Continued****1 11 Investments**

Investments in subsidiaries are stated at cost, less provision for any diminution in value. An impairment is recognised when the carrying amount of the investment exceeds the recoverable amount from the investment. The recoverable amount of the investment being based upon the higher of net realisable value or value in use. To the extent that the carrying amount exceeds the recoverable amount will be recognised as an impairment loss through the profit and loss account.

1 12 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 mid-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 18.

1 13 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 14 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 15 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.

ROBERT DYAS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 27 MARCH 2010 - Continued

3 EMPLOYEE INFORMATION

	<u>2010</u>	<u>2009</u>
The year end number of persons employed by the Company, including Directors, during the period was as follows		
Selling and distribution	1,088	1,061
Administration	127	101
	<u>1,215</u>	<u>1,162</u>

	<u>2010</u> £'000	<u>2009</u> £'000
The aggregate payroll costs of these persons were as follows		
Wages and salaries	14,240	14,449
Social security costs	1,087	1,114
Other pension costs	347	342
	<u>15,674</u>	<u>15,905</u>

4 PROFIT ON ORDINARY ACTIVITIES

	<u>2010</u> £'000	<u>2009</u> £'000
Operating profit/(loss) is stated after charging / (crediting)		
Directors' remuneration (note 5)	555	331
Auditors' remuneration – audit fee	75	102
Pre-opening costs	65	110
Store closure costs	184	-
Restructuring costs	574	1,947
Impairment of fixed assets	31	295
Impairment of intercompany receivable	-	6,661
Depreciation	1,375	1,275
Loss on disposal of fixed assets	93	-
Profit on sale of group undertakings	(1,541)	-
Movement in onerous lease provision		
due to change in anticipated costs of disposal	963	3,752
due to change in projected trading losses during remainder of lease	724	-
Operating lease rentals - land and buildings	10,937	11,462
- motor vehicles/equipment	184	224

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 Ltd's accounts since the consolidated accounts of Cleeve Court Holdings Limited, are required to disclose non-audit fees on a consolidated basis

ROBERT DYAS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 27 MARCH 2010 – Continued**5 DIRECTORS' REMUNERATION**

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

6 INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>2010</u> <u>£'000</u>	<u>2009</u> <u>£'000</u>
Bank interest receivable	2	85
Interest receivable from group companies	47	101
Pension - expected return on assets (note 18)	453	508
	<u>502</u>	<u>694</u>

7 INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2010</u> <u>£'000</u>	<u>2009</u> <u>£'000</u>
Bank interest payable	189	-
Interest payable to group companies	8	3
Pension - interest cost - (note 18)	460	485
	<u>657</u>	<u>488</u>

8 TAXATION

	<u>2010</u> <u>£'000</u>	<u>2009</u> <u>£'000</u>
Analysis of charge in period		
UK Corporation tax		
Group relief payable	185	-
Current tax on income for the period	-	-
Adjustments in respect of prior periods	-	-
Current tax charge	<u>185</u>	<u>-</u>
Deferred taxation (note 14)	49	44
	<u>234</u>	<u>44</u>

ROBERT DYAS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 27 MARCH 2010 – Continued

TAXATION - Continued

The tax assessed for the period is lower than the standard rate of corporation tax 28% (2009 28%) The differences are shown below

	<u>2010</u> £'000	<u>2009</u> £'000
Profit/(Loss) on ordinary activities before tax	2,728	(10,447)
Current tax at 28% (2009 28%)	764	(2,925)
<i>Effects of</i>		
Group relief	(185)	-
Payment for group relief	185	-
Expenses not deductible for tax purposes	(194)	2,301
Depreciation in excess of capital allowances	177	297
Other short term timing differences	8	(39)
Unrelieved tax losses	-	366
Previously unrecognised tax losses utilised	(570)	-
Current tax charge	185	-

9 TANGIBLE FIXED ASSETS

	<u>Short</u> <u>Leasehold</u> <u>Land and</u> <u>Buildings</u>	<u>Fixtures,</u> <u>Fittings &</u> <u>Equipment</u>	<u>Total</u>
	£'000	£'000	£'000
<u>Cost</u>			
At 29 March 2009	3,029	24,804	27,833
Additions	8	1,955	1,963
Disposals	(186)	(556)	(742)
At 27 March 2010	2,851	26,203	29,054
<u>Depreciation</u>			
At 29 March 2009	2,158	18,304	20,462
Charged in period	113	1,262	1,375
Impairment loss	2	29	31
Disposals	(134)	(515)	(649)
At 27 March 2010	2,139	19,080	21,219
<u>Net Book Value</u>			
At 27 March 2010	712	7,123	7,835
At 28 March 2009	871	6,500	7,371

ROBERT DYAS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 MARCH 2010 – Continued

10 INVESTMENTS

	<u>2010</u>	<u>2009</u>
	<u>£'000</u>	<u>£'000</u>
Shares in subsidiary undertakings		
<u>Cost and Net Book Value</u>		
At beginning of period	8,181	8,181
Dividends received	(6,784)	-
Disposal	(1,397)	-
At end of period	<u>-</u>	<u>8,181</u>

On 23 January 2001, the Company acquired the entire issued share capital of Riverdance Limited (previously known as Robert Dyas Limited)

<u>Principal Subsidiary</u>	<u>Shareholding %</u>	<u>Nature of business</u>
Riverdance Limited	100%	Non-trading

On 10 September 2009, the Company sold its investment in Riverdance Limited (previously known as Robert Dyas Limited) to Cleeve Court Holdings Limited for its net book value of £2,938,000 at that date giving rise to a profit on disposal of £1,541,000

11 STOCKS

	<u>2010</u>	<u>2009</u>
	<u>£'000</u>	<u>£'000</u>
Goods for resale	<u>14,751</u>	<u>13,394</u>

12 DEBTORS

	<u>2010</u>	<u>2009</u>
	<u>£'000</u>	<u>£'000</u>
Trade debtors	611	2,082
Other debtors	187	122
Prepayments and accrued income	4,831	5,146
Amounts owed from group companies	851	12,500
	<u>6,480</u>	<u>19,850</u>

13 CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2010</u>	<u>2009</u>
	<u>£'000</u>	<u>£'000</u>
Third party creditors		
Bank loans and overdrafts	4,000	-
Trade creditors	8,039	9,862
Corporation tax	185	-
Other taxation and social security	1,151	1,098
Accruals and deferred income	3,310	6,460
Other creditors	35	17
	<u>16,720</u>	<u>17,437</u>
Amounts owed to Riverdance Group Limited	-	2,598
Amounts owed to group companies	2,308	918
Amounts owed to subsidiary undertakings	-	9,722
	<u>19,028</u>	<u>30,675</u>

On 8 April 2009, Riverdance Group Limited waived all intercompany indebtedness owed by the Company to Riverdance Group Limited on that date

ROBERT DYAS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE 52 WEEKS ENDED 27 MARCH 2010 – Continued**

14 PROVISION FOR LIABILITIES AND CHARGES

	Onerous lease provision	Deferred taxation	Total
	£'000	£'000	£'000
At 29 March 2009	(3,752)	-	(3,752)
Trading losses charged to provision	839	-	839
Charged to the profit and loss account			
Change in anticipated costs of disposals	(963)	-	(963)
Change in anticipated trading through to lease expiry	(724)	-	(724)
As at 27 March 2010	<u>(4,600)</u>	<u>-</u>	<u>(4,600)</u>

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.

Deferred taxation

The Company has provided fully for deferred taxation in accordance with Financial Reporting Standard 19, in the current year at 28% (2009 28%). Deferred tax is included in the balance sheet as follows:

	Included in Provisions	Included in net pension liability	Total
	£'000	£'000	£'000
At 29 March 2009	-	352	352
Charge to the Statement of Total Recognised Gains and Losses	-	68	68
Transfer to profit and loss account (note 8)	-	(49)	(49)
At 27 March 2010	<u>-</u>	<u>371</u>	<u>371</u>

The company has unrecognised deferred tax assets of £1,320,748 (2009 £1,061,000) in respect of accelerated capital allowances and £nil (2009 £366,000) in respect of tax losses 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.

15 CALLED UP SHARE CAPITAL

	2010 £'000	2009 £'000
Allotted, called up and fully paid		
Equity interests 14,122,160 Ordinary shares of 5p each	<u>706</u>	<u>706</u>

ROBERT DYAS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 MARCH 2010 – Continued

16 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<u>Share Capital</u>	<u>Share Premium</u>	<u>Capital contribution reserve</u>	<u>Profit & loss reserve</u>	<u>Total</u>
	£'000	£'000	£'000	£'000	£'000
At 29 March 2009	706	6,989	-	8,436	16,131
Profit for the period	-	-	-	2,494	2,494
Deemed distribution to parent	-	-	-	(707)	(707)
Forgiveness of intercompany payables	-	-	3,515	-	3,515
Dividend paid	-	-	-	(14,719)	(14,719)
Actuarial loss recognised in respect of the pension scheme (net of deferred tax)	-	-	-	(176)	(176)
Balance at 27 March 2010	<u>706</u>	<u>6,989</u>	<u>3,515</u>	<u>(4,672)</u>	<u>6,538</u>

The profit and loss reserve is analysed as follows

	<u>Pension Reserve</u>	<u>Profit & loss account</u>	<u>Total</u>
	£'000	£'000	£'000
At 29 March 2009	(1,356)	9,792	8,436
Profit for the period	-	2,494	2,494
Dividend paid	-	(14,719)	(14,719)
Deemed distribution to parent	-	(707)	(707)
Actuarial loss recognised in respect of the pension scheme (net of deferred tax)	(176)	-	(176)
Balance at 27 March 2010	<u>(1,532)</u>	<u>(3,140)</u>	<u>(4,672)</u>

17 OPERATING LEASES

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

	<u>2010 Land & Buildings £'000</u>	<u>2010 Equipment £'000</u>	<u>2009 Land & Buildings £'000</u>	<u>2009 Equipment £'000</u>
On leases expiring within				
One year	852	88	1,242	49
Two to five years	4,570	77	3,894	112
Over five years	5,111	-	5,397	-
	<u>10,533</u>	<u>165</u>	<u>10,533</u>	<u>161</u>

ROBERT DYAS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 MARCH 2010 - Continued

18 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 £105,000 (2009 £177,000) for the year ended 27 March 2010.

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 2008 and has been updated to 27 March 2010 by a qualified independent actuary.

The main assumptions used by the actuary were

	At 27 March 2010	At 28 March 2009	At 29 March 2008
Rate of inflation	3.25%	2.75%	3.50%
Rate of increase in pensions in payment			
Pre 97 pension	3.00%	3.00%	3.00%
Post 97 pension	3.50%	3.30%	3.70%
Rate of revaluation of pensions in deferment	3.25%	2.75%	3.50%
Discount rate	5.75%	6.70%	6.75%
Mortality rate	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	12.5%	12.5%	Nil

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

	27 March 2010		28 March 2009	
	Expected Long Term Return %	Value £'000	Expected Long Term Return %	Value £'000
Equities	8.00	5,230	9.00	6,486
Bonds	4.60	2,408	4.25	1,412
Other	3.00	27	3.00	114
Total market value		7,665		8,012
Present value of Scheme liabilities		(8,976)		(9,253)
Deficit in the Scheme		(1,311)		(1,241)
Related deferred tax asset		371		352
Net Scheme liability		(940)		(889)

ROBERT DYAS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 27 MARCH 2010 – Continued

PENSIONS - Continued

	<u>2010</u> <u>£'000</u>	<u>2009</u> <u>£'000</u>
<u>Amounts recognised in the Profit & Loss Account</u>		
Current Service Cost	-	-
Interest Cost	(460)	(485)
Expected Return on Assets	453	508
(Gains)/Losses on Settlements & Curtailments	-	-
Past Service Cost	-	-
Effect of Limit on recognisable surplus	-	-
Total P&L return	<u>(7)</u>	<u>23</u>
<u>Amount recognised in STRGL</u>		
Actual less expected return on assets	1,491	(1,859)
Experience gains on liabilities	83	204
Effect of change in assumptions on liabilities	(1,818)	449
Deferred Tax thereon	68	338
Total Loss recognised in STRGL	<u>(176)</u>	<u>(868)</u>
<u>Reconciliation of assets and liabilities</u>		
<u>Fair Value of Assets at the Beginning of the Period</u>	5,709	7,049
Expected Return on Assets	453	508
Employer Contributions	181	138
Contributions by Scheme Participants	-	-
Benefits Paid	(169)	(127)
Actuarial Gain/(Loss) on Assets	1,491	(1,859)
Change due to Settlements and Curtailments	-	-
Fair Value of Assets at the End of the Period	<u>7,665</u>	<u>5,709</u>
<u>Total Liabilities at the Beginning of the Period</u>	6,950	7,245
Current Service Cost	-	-
Contributions by Scheme Participants	-	-
Past Service Costs	-	-
Interest Cost	460	485
Benefits Paid	(169)	(127)
Actuarial Loss on Liabilities	1,735	(653)
Change due to Settlements and Curtailments	-	-
Total Liabilities at the End of the Period	<u>8,976</u>	<u>6,950</u>

The total amount recognised in the consolidated statement of total recognised gains and losses in respect of actuarial gains and losses is £176,000 (2009 £868,000)

Cumulative actuarial gains/losses reported in the consolidated statement of total recognised gains and losses for accounting periods ending on or after 22 June 2002 and subsequently included by prior year adjustment under paragraph 96 of FRS 17, are £535,000 (2009 £359,000)

ROBERT DYAS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 27 MARCH 2010 – Continued**PENSIONS - Continued****History of experience gains & losses**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Present Value of Scheme Liabilities	8,976	6,950	7,245	8,359	8,556
Scheme Assets	7,665	5,709	7,049	7,377	6,918
Deficit	(1,311)	(1,241)	(196)	(982)	(1,638)
Actuarial Gains/(Losses) on Scheme Liabilities	(1,735)	653	1,357	(132)	(1,116)
Experience Adjustments on Scheme Assets	1,491	(1,859)	(778)	11	1,090

19 GUARANTEES AND CONTINGENT LIABILITIES

The Company is party to a group VAT registration with its parent company and fellow group subsidiaries, Cleeve Court Holdings Limited, Robert Dyas Property Limited, Riverdance Acquisition Limited, Riverdance Holding Limited and Riverdance Limited and as such has joint and several liabilities for amounts due to HM Revenue and Customs. The amount due at 27 March 2010 was £841,335 (2009 £780,403)

The Company has granted a fixed and floating charge over its assets in favour of Lloyds Banking Group plc and Allied Irish Banks plc in respect of the Company's obligations under the banking facility agreements of both the Company and the parent company, i.e. Robert Dyas Property Limited, Riverdance Acquisition Limited, Riverdance Holding Limited, Riverdance Limited and Cleeve Court Holdings Limited. At 27 March 2010 amounts owed by Cleeve Court Holdings Limited and covered by this arrangement totalled £19,000,000 (2009 £31,813,000)

20 CAPITAL AND FINANCIAL COMMITMENTS

At 27 March 2010, the Company's capital and financial commitments other than those disclosed in Note 17 Operating Leases were as follows

	<u>2010</u> <u>£'000</u>	<u>2009</u> <u>£'000</u>
Authorised by the Board and contracted for but not provided for in the financial statements	—	—

21 RELATED PARTY DISCLOSURES

A management fee of £nil (2009 £1,000,000) has been charged to Administrative expenses in respect of strategic consultancy provided by the ultimate parent company at that time, Change Capital Funds LP. The transaction was at arm's length. The amount outstanding at the period end was £nil (2009 £2,500,000). The amount outstanding at the end of the prior period was notated to a fellow subsidiary of Robert Dyas Property Limited. The Company subsequently paid £200,000 on behalf of Robert Dyas Property Limited to settle the liability.

During the period the Company paid £138,000 in respect of consultancy services from a company associated with Ian Gray, a non executive Director.

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.

ROBERT DYAS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 27 MARCH 2010 – Continued

22 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. The inaugural financial statements for Cleeve Court Holdings Limited have been prepared for the period to 27 March 2010 and copies can be obtained from the registered office set out on page 1.

23 DIVIDENDS

On 10 September 2009, as part of the restructuring and refinancing transaction referred to in note 11, the Company declared and approved a dividend payment of £14,695,000 to its parent company immediately prior to the transaction, Riverdance Acquisition Limited and a further dividend of £24,000 to its parent company immediately after the transaction, Cleeve Court Holdings Limited.