

# **A.S.H.S. USA Limited**

Report and Financial Statements

Year Ended

31 December 2016

Company Number 04154536

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# **A.S.H.S. USA Limited**

## **Report and financial statements for the year ended 31 December 2016**

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### **Directors**

A S Seymour  
H J Seymour  
F Giannaccari

### **Secretary and registered office**

H J Seymour, The Stable Block, Plough Brewery, Battersea, London, SW8 3JX

### **Company number**

04154536

### **Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

# A.S.H.S. USA Limited

## Report of the directors for the year ended 31 December 2016

The directors present their report together with the audited financial statements for the year ended 31 December 2016.

### Results and dividends

The statement of comprehensive income is set out on page 5 and shows the loss for the year.

### Principal activities, trading review and future developments

The principal activity of the company in the year under review was that of the sale of luxury handbags and fashion accessories through its two stores in New York and California.

During 2012, the subsidiary, Madison LLC signed a lease at 795 Madison Avenue in New York. This 2,200 sqft store was the first location outside the UK to offer the full Anya Hindmarch Bespoke service, alongside the brand's seasonal and continuative products. The store opened in late August 2013 and was the Company's first major store initiative to feature the new store design concept and was designed to raise visibility of the brand in the US market and to drive selective distribution expansion.

During the year a new store was opened at Melrose Place.

### Directors

The directors of the company during the year and since year end were:

A S Seymour	
L J M Ephson	(resigned 25 July 2017)
H J Seymour	
H E Wright	(resigned 27 March 2017)
F Giannaccari	(appointed 21 June 2017)

### Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting estimates that are reasonable and prudent;
- 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **A.S.H.S. USA Limited**

## **Report of the directors for the year ended 31 December 2016 (*continued*)**

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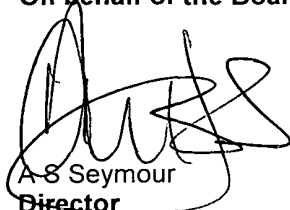
### **Auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office. Under the Companies Act 2006 section 487 (2) they will automatically be re-appointed as auditors 28 days after these accounts are sent to the members, unless the members exercise their rights under the Companies Act 2006 to prevent their re-appointment.

In preparing this directors' report advantage has been taken of the small companies' exemption.

### **On behalf of the Board**



A.S. Seymour  
**Director**

28 September 2017

# **A.S.H.S. USA Limited**

## **Independent auditor's report**

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### **TO THE MEMBERS OF A.S.H.S. USA Limited**

We have audited the financial statements of A.S.H.S. USA Limited for the year ended 31 December 2016 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's 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 auditors**

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared, is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

# A.S.H.S. USA Limited

## Independent auditor's report (*continued*)

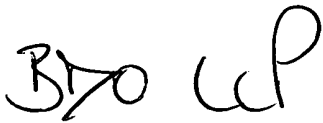
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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.



*Sophia Michael (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom*

28 September 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# A.S.H.S. USA Limited

## Statement of comprehensive income for the year ended 31 December 2016

	Notes	2016 £000	2015 £000
<b>Turnover</b>	2	<b>1,891</b>	2,072
Cost of sales		(374)	(550)
<b>Gross profit</b>		<b>1,517</b>	1,522
Administrative expenses		(4,067)	(2,174)
<b>Loss on ordinary activities before interest</b>	3	<b>(2,550)</b>	(652)
<b>Loss on ordinary activities before interest analysed as:</b>			
Earnings before interest, tax, depreciation and amortisation ("EBITDA")		(1,301)	(450)
Exceptional items		(20)	-
Depreciation and impairment		(1,229)	(202)
Interest payable and similar charges		-	-
<b>Loss on ordinary activities before taxation</b>		<b>(2,550)</b>	(652)
Taxation charge on loss from ordinary activities	4	(3)	(3)
<b>Loss on ordinary activities after taxation</b>		<b>(2,553)</b>	(655)

All amounts relate to continuing activities.

The notes on pages 8 to 13 form part of these financial statements.

# A.S.H.S. USA Limited

## Statement of financial position at 31 December 2016

	Notes	2016 £000	2016 £000	2015 £000	2015 £000
<b>Fixed assets</b>					
Tangible assets	5		1,282		1,233
Fixed asset investment	6		-		-
			<u>1,282</u>		<u>1,233</u>
<b>Current assets</b>					
Stocks		829		538	
Debtors	7	545		292	
Cash at bank and in hand		384		511	
		<u>1,758</u>		<u>1,341</u>	
<b>Creditors: amounts falling due within one year</b>	8	(9,379)		(6,360)	
<b>Net current liabilities</b>			<u>(7,621)</u>		<u>(5,019)</u>
<b>Net liabilities</b>			<u>(6,339)</u>		<u>(3,786)</u>
<b>Capital and reserves</b>					
Called up share capital	9		-		-
Profit and loss account			(6,339)		(3,786)
<b>Shareholders' deficit</b>			<u>(6,339)</u>		<u>(3,786)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors and authorised for issue on 28 September 2017



A S Seymour  
Director

Company number 04154536

The notes on pages 8 to 13 form part of these financial statements.



# A.S.H.S. USA Limited

## Statement of changes in equity for the year ended 31 December 2016

	Share capital £000	Profit and loss account £000	Total equity £000
<b>1 January 2015</b>	-	(3,131)	(3,131)
<b>Comprehensive income for the year</b>			
Loss for the year	-	(655)	(655)
<b>Total comprehensive income for the year</b>	-	(655)	(655)
<b>26 December 2015</b>	-	(3,786)	(3,786)
<b>Comprehensive income for the year</b>			
Loss for the year	-	(2,553)	(2,553)
<b>Total comprehensive income for the year</b>		(2,553)	(2,553)
<b>31 December 2016</b>	-	(6,339)	(6,339)

The notes on pages 8 to 13 form part of these financial statements.

# A.S.H.S. USA Limited

## Notes forming part of the financial statements for the year ended 31 December 2016

### 1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with FRS102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

The directors have taken the option within section 390 of the Companies Act 2006 to prepare their financial statements up to a date 7 days either side of the company's accounting reference date of 31 December 2016, and these accounts therefore cover the period from 27 December 2015 to 31 December 2016 (2015 – 1 January 2015 to 26 December 2015).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

The following principal accounting policies have been applied.

#### Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29.

This information is included in the consolidated financial statements of A.S.H.S Limited as at 31 December 2016 and these financial statements may be obtained from the Registrar of Companies.

#### *Going concern*

The company made a loss of £2,553,000 for the year ended 31 December 2016 and had net current liabilities of £7,621,000 as at that date.

The directors have received confirmation from A.S.H.S. Limited, the ultimate parent company that they will continue to provide on-going financial support to the business through their planned period of investment facilitating growth and expansion in the US market. In addition to this financial support, A.S.H.S Limited will not recall the intercompany balance payable. The preparation of the financial statements on a going concern basis is therefore appropriate.

#### *Turnover*

Turnover represents net invoiced sales of goods, excluding sales tax.

#### *Depreciation*

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life. It is calculated at the following rates:

- |                       |   |
|-----------------------|---|
| Short leasehold       | - Depreciation over the period of the lease and written off over period of the lease. |
| Fixtures and fittings | - 25% on cost   |

#### *Stocks*

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

# A.S.H.S. USA Limited

## Notes forming part of the financial statements for the year ended 31 December 2016 *(continued)*

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### 1 Accounting policies *(continued)*

#### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

#### *Leasing commitments*

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease. Reverse premiums and similar incentives received to enter into operating lease agreements are released to the profit and loss account on a straight-line basis over the term of the lease.

#### *Basis of consolidation*

The company is exempt from preparing consolidated accounts for its group under Section 400 of the Companies Act 2006, as the company's ultimate parent A.S.H.S. Limited is incorporated in the United Kingdom and prepares group financial statements. These financial statements present information about the company only and not the group which it heads.

#### *Judgements in applying accounting policies and key sources of estimation*

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

### 2 Turnover

Turnover arises solely within the United States of America.

# A.S.H.S. USA Limited

## Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

### 3 Operating loss

	2016 £000	2015 £000
This has been arrived at after charging:		
Depreciation - owned assets	185	202
Depreciation - impairment	1,044	-
Hire of other assets - operating leases	1,377	897
Foreign exchange gains	20	-
	<u>          </u>	<u>          </u>

The audit fee and directors' fees have been borne by the ultimate parent company A.S.H.S. Limited.

Exceptional items of £20,400 are included within administrative expenses in relation to the opening of the new store at Melrose Place.

### 4 Taxation on loss on ordinary activities

	2016 £000	2015 £000
Analysis of charge in the year		
<i>UK corporation tax</i>		
Overseas tax	3	3
Adjustments in respect of prior periods	-	-
	<u>          </u>	<u>          </u>
Total current tax	3	3
	<u>          </u>	<u>          </u>
Taxation on loss on ordinary activities	3	3
	<u>          </u>	<u>          </u>

The tax assessed for the year differs to the standard rate of corporation tax in the UK applied to the loss before tax. The differences are explained below:

	2016 £000	2015 £000
Loss on ordinary activities before tax	(2,550)	(652)
Tax at 20% (2015 – 20.25%) thereon	(510)	(132)
Effect of:		
Income not taxable for tax purposes	(1)	(1)
Depreciation on assets not eligible for capital allowances	101	13
Overseas tax	3	3
Deferred tax not recognised	264	62
Adjustments to tax rates	78	55
Other permanent differences	68	-
Other short term timing differences	-	3
	<u>          </u>	<u>          </u>
	3	3
	<u>          </u>	<u>          </u>

Deferred tax assets of £753,254 (2015 - £489,516) have not been recognised due to uncertainty of taxable profits in the foreseeable future.

The asset comprises of £169,204 (2015 - £54,806) in relation to fixed asset timing differences, £3,248 in relation to short term differences (2015 – nil) and £580,802 (2015 - £434,710) in relation to tax losses.

# A.S.H.S. USA Limited

Notes forming part of the financial statements  
for the year ended 31 December 2016 (*continued*)

## 5 Tangible assets

	Short leasehold £'000	Fixtures and fittings £'000	Total £'000
<i>Cost</i>			
At 27 December 2015	1,793	163	1,956
Additions	1,126	152	1,278
Disposals	(238)	-	(238)
	<hr/>	<hr/>	<hr/>
At 31 December 2016	<b>2,681</b>	<b>315</b>	<b>2,996</b>
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 27 December 2015	616	107	723
Charge for the year	147	38	185
Disposals	(238)	-	(238)
Impairment	1,044	-	1,044
	<hr/>	<hr/>	<hr/>
At 31 December 2016	<b>1,569</b>	<b>145</b>	<b>1,714</b>
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 December 2016	<b>1,112</b>	<b>170</b>	<b>1,282</b>
	<hr/>	<hr/>	<hr/>
At 26 December 2015	1,177	56	1,233
	<hr/>	<hr/>	<hr/>

# A.S.H.S. USA Limited

Notes forming part of the financial statements  
for the year ended 31 December 2016 (*continued*)

## 6 Fixed asset investments

Group  
undertakings  
£'000

*Cost*

At 27 December 2015 and 31 December 2016

-

<i>Subsidiary undertakings</i>	Country of incorporation	Proportion of voting rights and ordinary share capital held	Nature of business	Registered Office Address
A.S.H.S. Nevada LLC	United States of America	100%	Dormant	c/o CSC Services of Nevada, Inc., 502 East John Street, Carson City, Nevada 89706, USA.
A.S.H.S. Madison LLC	United States of America	100%	Leasing holding company	c/o VCorp Agent Services, Inc., 25 Robert Pitt Drive Suite 204, Monsey, New York, 10952, USA.
A.S.H.S. Downtown LLC	United States of America	100%	Leasing holding company	795 Madison Avenue, New York, New York, 10065, USA.

## 7 Debtors

	2016 £000	2015 £000
Trade debtors	20	-
Other debtors	304	171
Prepayments and accrued income	221	121
	<b>545</b>	<b>292</b>

All amounts fall due for payment within one year.

# A.S.H.S. USA Limited

## Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

### 8 Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Trade creditors	481	52
Other creditors	1,151	755
Taxation and social security	38	15
Corporation tax	5	5
Amounts owing to group undertakings	7,704	5,533
	<u>9,379</u>	<u>6,360</u>

### 9 Share capital

	2016 Number	Allotted, issued and fully paid 2015 Number	2016 £	2015 £
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

### 10 Commitments under operating leases

The company had minimum lease payments under non-cancellable operating leases as set out below:

	2016 Land and buildings £'000	2015 Land and buildings £'000
Not later than one year	1,172	881
Later than one year and not later than five years	5,404	4,126
Later than five years	<u>3,707</u>	<u>2,274</u>

### 11 Other financial commitments

The company entered into a cross guarantee in favour of HSBC Bank plc with A.S.H.S. Limited and ASHS East Coast Limited. The possibility of an outflow in respect of these guarantees is considered remote and so the effect is not quantified.

### 12 Related party transactions

The company has taken advantage of the exemption not to disclose any transactions with entities that are included in the consolidated financial statements on the grounds that 100% of the voting rights in the company are controlled within that group and the company is included within those financial statements.

### 13 Ultimate parent company

The ultimate controlling party is Mayhoola for Investment LLC by virtue of their shareholding.