

Two Years Limited

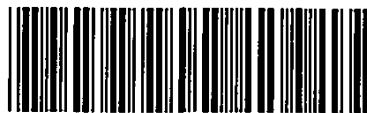
Report and Financial Statements

Period Ended

31 July 2011

Company Number 06808747

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Two Years Limited

Report and financial statements for the period ended 31 July 2011

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Directors

M A Ziff
E M Ziff
D E Lockyer
J M Weaving

Secretary and registered office

BPL House, 880 Harrogate Road, Apperley Bridge, Bradford, West Yorkshire, BD10 0NW

Company number

06808747

Auditors

BDO LLP, 55 Baker Street, London W1U 7EU

Two Years Limited

Report of the directors for the period ended 31 July 2011

The directors present their report together with the audited financial statements of the Company for the year ended 31 July 2011

Results and dividends

The principal activity is that of an investment holding company

The profit and loss account is set out on page 5 and shows the loss for the period. The directors are not recommending the payment of a dividend.

On 8 December 2011 all of the Company's subsidiaries, except Discount Shoe Warehouse Limited were placed into administration.

Directors

The directors of the Company during the period were

H T Stanton	(resigned 31/12/10)
M A Ziff	
E M Ziff	
D E Lockyer	
J M Weaving	
T E Bond	(resigned 31/7/11)
R A Stark	(resigned 26/8/11)
J Hood	(appointed 27/9/11, resigned 20/12/11)
R Hyman	(appointed 2/1/11, resigned 12/12/11)
R L Segal	(appointed 27/9/11, resigned 9/12/11)

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 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, 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 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.

Two Years Limited
Report of the directors
for the period ended 31 July 2011

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

On behalf of the Board



J Weaving
Director

6 June 2012

Two Years Limited

Independent auditor's report

To the member of Two Years Limited

We have audited the financial statements of Two Years Limited for the year ended 31 July 2011 which comprise the profit and loss account, the balance sheet 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 member, 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 member 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 member 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 Auditing Practices Board's (APB's) Ethical Standards for Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion.

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.

Basis for adverse opinion on group financial statements

As explained in note 1 to the financial statements the Company has not prepared consolidated financial statements as required by Companies Act 2006 and FRS 2 'Accounting for Subsidiary Undertakings'.

Adverse opinion on the group financial statements

In our opinion, because of the significance of the matter described in the Basis for Adverse Opinion paragraph, in our opinion the financial statements

- do not give a true and fair view of the state of the Group's affairs as at 31 July 2011 and of its profit or loss for the year then ended,
- have not been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have not been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the parent company 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 July 2011 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.

Two Years Limited

Independent auditor's report (*Continued*)

Notwithstanding our adverse opinion on the financial statements, 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 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



Michael Goldstein
(Senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

6 June 2012

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

Two Years Limited

Profit and loss account for the period ended 31 July 2011

	Note	Year ended 31 July 2011 £	3 February 2009 to 31 July 2010 £
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		(16)	-
Loss on ordinary activities before taxation	2	(16)	-
Taxation on loss from ordinary activities	4	-	-
Loss on ordinary activities after taxation		(16)	-

All amounts relate to continuing activities

There were no other recognised gains and losses in the period other than the results set out above

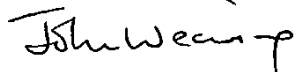
The notes on pages 7 to 11 form part of these financial statements

Two Years Limited

Balance sheet at 31 July 2011

<i>Company number 06808747</i>	Note	31 July 2011 £	31 July 2010 £
Fixed assets			
Fixed asset investments	5	-	16
Creditors: amounts falling due within one year	6	(15)	(15)
		<hr/>	<hr/>
Net current liabilities		(15)	(15)
		<hr/>	<hr/>
Net (liabilities)/ assets		(15)	1
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	7	1	1
Profit and loss account	8	(16)	-
		<hr/>	<hr/>
Shareholder's (deficit)/funds		(15)	1
		<hr/>	<hr/>

The financial statements were approved by the Board of Directors and authorised for issue on 6 June 2012



J Weaving
Director

The notes on pages 7 to 11 form part of these financial statements

Two Years Limited

Notes forming part of the financial statements for the period ended 31 July 2011

1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards apart from not preparing consolidated financial statements as noted below

The following principal accounting policies have been applied

Basis of consolidation

The Company and its' parent, 3 Years Limited, have not prepared consolidated accounts as required by Companies Act 2006 and FRS 2 'Accounting for Subsidiary Undertakings'. All of the Company's subsidiaries, except Discount Shoe Warehouse Limited entered administration on 8 December 2011. As a consequence of this the directors do not believe that there would be any benefit to the users of these financial statements from preparing consolidated financial statements. Consequently, these financial statements present the result of the Company only and not the Group.

Taxation

The charge for taxation is based on the profit for the period and taking into account taxation deferred

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

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

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Financial liability and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form

Two Years Limited

Notes forming part of the financial statements
for the period ended 31 July 2011 (*Continued*)

2 Loss on ordinary activities before tax

The audit fee of £500 has been borne by a related company, Barratts Trading Limited of which both M A Ziff and E M Ziff are directors

3 Employees

The company had no employees other than the directors in the current or prior period

4 Taxation on loss from ordinary activities

	Year ended 31 July 2011 £	3 February 2009 to 31 July 2010 £
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Current tax

UK corporation tax on loss of the period

-	-
<u> </u>	<u> </u>

The tax assessed for the period is different than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below

	Year ended 31 July 2011 £	3 February 2009 to 31 July 2010 £
Loss on ordinary activities before tax	(16)	-
	<u> </u>	<u> </u>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 27% (2010 28%)	(4)	-
Effects of Expenses not allowable for tax purposes	4	-
	<u> </u>	<u> </u>
Current tax charge for period	-	-
	<u> </u>	<u> </u>

Two Years Limited

Notes forming part of the financial statements
for the period ended 31 July 2011 (*Continued*)

5 Fixed asset investments

	Group undertakings £
<i>Cost</i>	
At 1 August 2010 and at 31 July 2011	16
<i>Provisions</i>	
Provided in the year and at 31 July 2011	(16)
<i>Net book value</i>	
At 31 July 2011	-
At 31 July 2010	16

Subsidiary undertakings and other investments

The principal undertakings in which the Company's interest at the year end is 20% or more are as follows

Name	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
<i>Subsidiary undertakings</i>			
One Year Limited	UK	100%	Intermediate holding company
Priceless Shoes Limited *	UK	100%	Trading company
Barratts Priceless Limited	UK	100%	Trading company
Barratts Shoes Limited *	UK	100%	Trading company
Barratts Shoes Properties Limited	UK	100%	Property company
Barratts Shoes Properties 2 Limited	UK	100%	Property company
Barratts Shoes Properties 3 Limited	UK	100%	Property company
Barratts Shoes Properties 4 Limited	UK	100%	Property company
Barratts Shoes Properties 5 Limited	UK	100%	Property company
Barratts Shoes Properties 6 Limited	UK	100%	Property company
Barratts Shoes Properties (Jersey) Limited	UK	100%	Property company
Priceless Shoes Properties Limited	UK	100%	Property company
Priceless Shoes Properties 2 Limited	UK	100%	Property company
Priceless Shoes Properties 3 Limited	UK	100%	Property company
Priceless Shoes Properties 4 Limited	UK	100%	Property company
Priceless Shoes Properties 5 Limited	UK	100%	Property company
Priceless Shoes Properties 6 Limited	UK	100%	Property company
Discount Shoe Warehouse Limited	UK	100%	Dormant company

* Undertakings held indirectly by the Company

For all undertakings listed above, the country of operation is the UK or the UK and EIRE

Two Years Limited

Notes forming part of the financial statements
for the period ended 31 July 2011 (*Continued*)

6 Creditors: amounts falling due within one year

	31 July 2011 £	31 July 2010 £
Amounts due to group undertakings	15	15

7 Share capital

	Allotted, called up fully paid 31 July 2011 £	31 July 2010 £
1 Ordinary share of £1 each	1	1

8 Reserves

	Profit and loss account £
Loss for the period and at 31 July 2011	(16)

9 Reconciliation of movement in shareholders' funds

	£
Loss for the financial period	(16)
Opening shareholder's funds	1
Closing shareholder's deficit	(15)

10 Contingent liabilities

The bank loans and overdraft of the Company's subsidiaries were secured by a fixed and floating charge over the assets of Two Years Limited and the subsidiary undertakings at 31 July 2011

The Company has given a guarantee, secured by fixed and floating charges over its assets, for the liabilities of three of its subsidiaries in respect of loan notes issued by them in a total aggregate principal amount of £2,750,000 as at 31 July 2011. The interest rate applying on these loan notes is 8.5% above the base rate of Lloyds Banking Group plc and is payable monthly. The loan notes have been redeemed since the year end.

At 31 July 2011 these loan notes could, at the request of the loan note holder, be converted into £1 ordinary shares in the capital of Three Years Limited, the Company's parent company.

Two Years Limited

**Notes forming part of the financial statements
for the period ended 31 July 2011 (*Continued*)**

11 Ultimate Parent Company

At 31 July 2011 the Company's ultimate parent company was Three Years Limited

12 Post balance sheet events

On 8 December 2011 all of the Company's subsidiaries, except Discount Shoe Warehouse Limited were placed into administration