

Company registration number: 07664834

Tresor Paris (UK) Plc

Financial statements

31 March 2018

Tresor Paris (UK) Plc

Contents

Directors and other information

Directors report

Independent auditor's report to the members

Statement of comprehensive income

Statement of financial position

Statement of changes in equity

Statement of cash flows

Notes to the financial statements

Tresor Paris (UK) Plc

Directors and other information

Directors	Mr M. Lousky Mrs L. Lousky
Secretary	Mrs L. Lousky
Company number	07664834
Registered office	7 Greville Street Hatton Garden London EC1N 8PQ
Business address	7 Greville Street Hatton Garden London EC1N 8PQ
Auditor	Brian Paul Limited Chase Green House 42 Chase Side Enfield Middlesex EN2 6NF

Tresor Paris (UK) Plc

Directors report

Year ended 31st March 2018

The directors present their report and the financial statements of the company for the year ended 31st March 2018.

Directors

The directors who served the company during the year were as follows:

Mr M. Lousky

Mrs L. Lousky

Dividends

The directors do not recommend the payment of a dividend.

Financial instruments

The Company is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through internal credit control procedures. The Company's financial risk management objective is to hedge its exposure to such risks by applying a policy of financing working capital through a combination of retained earnings and support from fellow subsidiary Companies.

Directors responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 accounting 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 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and - they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 30 November 2018 and signed on behalf of the board by:

Mr M. Lousky

Director

Tresor Paris (UK) Plc

Independent auditor's report to the members of

Tresor Paris (UK) Plc

Year ended 31st March 2018

Opinion

We have audited the financial statements of Tresor Paris (UK) Plc for the year ended 31st March 2018 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 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. In our opinion the financial statements: - give a true and fair view of the state of the company's affairs as at 31st March 2018 and of its profit for the year then ended; - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and - have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

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 strategic report or 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, 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 the 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. we also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Paul Phillips FCA (Senior Statutory Auditor)

For and on behalf of

Brian Paul Limited

Chartered Accountants and Registered Auditors

Chase Green House

42 Chase Side

Enfield

Middlesex

EN2 6NF

30 November 2018

Tresor Paris (UK) Plc**Statement of comprehensive income****Year ended 31st March 2018**

	Note	2018 £	2017 £
Turnover	4	2,003,299	3,587,806
Cost of sales		(859,227)	(2,038,905)
Gross profit		<u>1,144,072</u>	<u>1,548,901</u>
Administrative expenses		(994,120)	(1,048,907)
Operating profit	5	<u>149,952</u>	<u>499,994</u>
Interest payable and similar expenses	9	(97,810)	(57,063)
Profit before taxation		<u>52,142</u>	<u>442,931</u>
Tax on profit	10	(17,885)	(6,820)
Profit for the financial year and total comprehensive income		<u>34,257</u>	<u>436,111</u>

All the activities of the company are from continuing operations.

Tresor Paris (UK) Plc

Statement of financial position

31st March 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	89,880	157,155
Investments	13	200	200
		<hr/>	<hr/>
		90,080	157,355
Current assets			
Stocks	14	14,444,213	12,270,773
Debtors	15	594,496	5,752,135
Cash at bank and in hand		212,498	441,775
		<hr/>	<hr/>
		15,251,207	18,464,683
Creditors: amounts falling due within one year	17	(9,321,444)	(13,765,760)
		<hr/>	<hr/>
Net current assets		5,929,763	4,698,923
Total assets less current liabilities		<hr/>	<hr/>
		6,019,843	4,856,278
Creditors: amounts falling due after more than one year	18	(5,866,033)	(4,736,725)
		<hr/>	<hr/>
Net assets		153,810	119,553
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	20	50,000	50,000
Profit and loss account		103,810	69,553
		<hr/>	<hr/>
Shareholders funds		153,810	119,553
		<hr/>	<hr/>

These financial statements were approved by the board of directors and authorised for issue on 30 November 2018 , and are signed on behalf of the board by:

Mr M. Lousky

Director

Company registration number: 07664834

Tresor Paris (UK) Plc

Statement of changes in equity

Year ended 31st March 2018

	Called up share capital £	Profit and loss account £	Total £
At 1st April 2016	50,000	(366,558)	(316,558)
Profit for the year		436,111	436,111
Total comprehensive income for the year	<hr/> -	<hr/> 436,111	<hr/> 436,111
At 31st March 2017 and 1st April 2017	50,000	69,553	119,553
Profit for the year		34,257	34,257
Total comprehensive income for the year	<hr/> -	<hr/> 34,257	<hr/> 34,257
At 31st March 2018	<hr/> 50,000	<hr/> 103,810	<hr/> 153,810

Tresor Paris (UK) Plc

Statement of cash flows

Year ended 31st March 2018

	2018	2017
Note	£	£
Cash flows from operating activities		
Profit for the financial year	34,257	436,111
<i>Adjustments for:</i>		
Depreciation of tangible assets	80,676	101,265
Interest payable and similar expenses	97,810	57,063
Tax on profit	17,885	6,820
Accrued expenses/(income)	(15,698)	(4,411)
<i>Changes in:</i>		
Stocks	(2,173,440)	(9,827,565)
Trade and other debtors	5,157,639	(2,700,807)
Trade and other creditors	(4,191,379)	11,518,401
	<hr/>	<hr/>
Cash generated from operations	(992,250)	(413,123)
Interest paid	(97,810)	(57,063)
	<hr/>	<hr/>
Net cash used in operating activities	(1,090,060)	(470,186)
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of tangible assets	(13,401)	(5,768)
	<hr/>	<hr/>
Net cash used in investing activities	(13,401)	(5,768)
	<hr/>	<hr/>
Cash flows from financing activities		
Proceeds from borrowings	874,308	549,100
	<hr/>	<hr/>
Net cash from financing activities	874,308	549,100
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	(229,153)	73,146
Cash and cash equivalents at beginning of year	16 440,047	366,901
	<hr/>	<hr/>
Cash and cash equivalents at end of year	16 210,894	440,047
	<hr/>	<hr/>

Tresor Paris (UK) Plc

Notes to the financial statements

Year ended 31st March 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 7 Greville Street, Hatton Garden, London, EC1N 8PQ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Consolidation

The company has taken advantage of the exemption from preparing consolidated financial statements contained in Section 402 of the Companies Act 2006 on the basis that its subsidiaries are excluded from consolidation on the grounds that their inclusion is not material for the purpose of giving a true and fair view.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer, usually on despatch of the goods; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to profit or loss.

Tangible assets

tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Short leasehold property	-	15 % straight line
Fittings fixtures and equipment	-	33 % straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Fixed asset investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. Turnover

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Operating profit

Operating profit is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation of tangible assets	80,676	101,265
Cost of stocks recognised as an expense	670,200	1,857,028
Impairment of trade debtors	(148)	(123)
Foreign exchange differences	9,279	38,491
	<hr/>	<hr/>

6. Auditors remuneration

	2018	2017
	£	£
Fees payable to Brian Paul Limited		
Fees payable for the audit of the financial statements	7,500	7,500
	<hr/>	<hr/>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	7,025	5,425
	<hr/>	<hr/>

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2018	2017
Directors	2	2
Sales and administration	13	14
	<u>15</u>	<u>16</u>

The aggregate payroll costs incurred during the year were:

	2018	2017
	£	£
Wages and salaries	243,608	329,429
Social security costs	14,071	22,853
Other pension costs	484	-
	<u>258,163</u>	<u>352,282</u>

8. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2018	2017
	£	£
Remuneration	18,184	18,184

9. Interest payable and similar expenses

	2018	2017
	£	£
Other interest payable and similar expenses	97,810	57,063

10. Tax on profit

Major components of tax expense

	2018	2017
	£	£
Current tax:		
UK current tax expense	17,885	6,820
Tax on profit	<u>17,885</u>	<u>6,820</u>

Reconciliation of tax expense

The tax assessed on the profit for the year is higher than (2017: lower than) the standard rate of corporation tax in the UK of 19.00 % (2017: 20.00%).

	2018	2017
	£	£
Profit before taxation	52,142	442,931
Profit multiplied by rate of tax	<u>9,907</u>	<u>88,586</u>
Effect of capital allowances and depreciation	7,978	13,031
Utilisation of tax losses	-	(94,797)
Tax on profit	<u>17,885</u>	<u>6,820</u>

11. Earnings per share

Basic earnings/(loss) per share

The earnings/(loss) and weighted average number of shares used in the calculation of basic earnings/(loss) per share are as follows:

	2018	2017
	£	£
Profit for the year attributable to the owners of the company	<u>34,257</u>	<u>436,111</u>

Diluted earnings/(loss) per share

The earnings/(loss) and weighted average number of shares used in the calculation of diluted earnings/(loss) per share are as follows:

	2018	2017
	£	£
Earnings/(loss) used in calculation of basic earnings/(loss) per share	<u>34,257</u>	<u>436,111</u>

12. Tangible assets

	Long leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Tangible assets - user defined £	Total £
Cost						
At 1st April 2017	231,466	193,452	47,278	51,861	194,908	718,965
Additions	-	512	890	-	11,999	13,401
At 31st March 2018	231,466	193,964	48,168	51,861	206,907	732,366
Depreciation						
At 1st April 2017	146,109	125,188	46,112	51,860	192,541	561,810
Charge for the year	34,720	38,793	1,795	-	5,368	80,676
At 31st March 2018	180,829	163,981	47,907	51,860	197,909	642,486
Carrying amount						
At 31st March 2018	50,637	29,983	261	1	8,998	89,880
At 31st March 2017	85,357	68,264	1,166	1	2,367	157,155

13. Investments

	Shares in group undertakings £	Total £
Cost		
At 1st April 2017 and 31st March 2018	200	200
Impairment		
At 1st April 2017 and 31st March 2018	-	-
Carrying amount		
At 31st March 2018	200	200
At 31st March 2017	200	200

14. Stocks

	2018	2017
	£	£
Finished goods and goods for resale	14,444,213	12,270,773
	<u> </u>	<u> </u>

15. Debtors

	2018	2017
	£	£
Trade debtors	507,493	3,610,623
Prepayments and accrued income	47,986	44,697
Derivative financial assets	-	170,690
Other debtors	39,017	1,926,125
	<u> </u>	<u> </u>
	594,496	5,752,135
	<u> </u>	<u> </u>

16. Cash and cash equivalents

	2018	2017
	£	£
Cash at bank and in hand	212,498	441,775
Bank overdrafts	(1,604)	(1,728)
	<u> </u>	<u> </u>
	210,894	440,047
	<u> </u>	<u> </u>

17. Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	1,604	1,728
Trade creditors	7,258,076	11,691,831
Accruals and deferred income	473,064	29,270
Corporation tax	24,705	6,820
Social security and other taxes	2,489	7,718
Director loan accounts	273,568	528,568
Other creditors	1,287,938	1,499,825
	9,321,444	13,765,760

Included within other creditors is an amount of £800,000 (2017 : £800,000) by way of loan capital ("Loan Capital") from Mr Shmuel Leviev ("Mr Leviev"). The Loan Capital was provided to the Company on 26 February 2016 and is repayable on 6 months prior notice from Mr Leviev which can be given any time from 26 February 2017.

18. Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Other loans	5,866,033	4,736,725

19. Employee benefits

The amount recognised in profit or loss in relation to defined contribution plans was £ 484 (2017: £-).

20. Called up share capital**Issued, called up and fully paid**

	2018		2017	
	No	£	No	£
Ordinary shares shares of £ 1.00 each	50,000	50,000	50,000	50,000

21. Operating leases

The company as lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	£	£
Not later than 1 year	66,811	66,811
Later than 1 year and not later than 5 years	-	66,811
	<hr/> 66,811	<hr/> 133,622
	<hr/>	<hr/>

22. Controlling party

The company's ultimate parent company is Tresor Holdings Limited, a company which is owned equally by the directors of this company.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.