

# Robert Dyas Holdings Limited

Report and Financial Statements

Year Ended

29 March 2014

Company Number 04041884

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# Robert Dyas Holdings Limited

Report and financial statements  
for the year ended 29 March 2014

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## Directors

T Paphitis  
K Kyprianou  
B Pearson  
S Dover

## Secretary and registered office

A Mantz, Cleeve Court, Cleeve Road, Leatherhead, Surrey, KT22 7SD

## Company number

04041884

## Bankers

Lloyds Banking Group plc, 25 Monument Street, London, EC3R 9BQ

## Auditors

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

# Robert Dyas Holdings Limited

## Strategic report for the year ended 29 March 2014

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A review of the business and future developments, including key performance indicators and the principal risks and uncertainties is set out below.

### **Business review and future developments**

I am pleased to report that Robert Dyas continued to make good progress in the year to 29 March 2014, building on that achieved in 2013. Turnover for the year increased by just under £10m to reach £124m, following an increase in like for like sales of 8.3%. This helped to deliver an increase in our EBITDA from £4.9m in 2013 to £6.3m. The increased turnover has been achieved broadly through the same retail estate and our website, [www.robertdyas.co.uk](http://www.robertdyas.co.uk).

Since acquiring the business in July 2012, a considerable level of investment has gone into improving the business for the short and longer term. This has included improving the range and availability of stock, refurbishment of selected stores, increased marketing activity including catalogues, a new website, additional warehousing facilities and our people. The investment in the business will continue in key areas to ensure Robert Dyas customers get the best of modern day retailing from a brand that has great heritage and is widely trusted. The next 18 months will also see the Robert Dyas warehousing and distribution functions come in house, moving to a new warehousing facility recently secured in Hemel Hempstead, as well as new IT infrastructure and tills across all stores. This will provide a platform to build on our recent success for the long term.

Whilst the focus on investment has been on improvements that would benefit all stores as well as a new website, refurbishments carried out on stores have proved to be very popular with our customers with sales increasing well above benchmarks set. This has given us the confidence to progress with further store refurbishments as well as looking for new opportunities, including stores opening in Enfield and Edgware in November.

Our website continued to perform well with growth of 69% in the year. A new website was implemented during the year, which has modernised our offering and allows us to considerably scale this part of our business, as well as enhancing the customer experience across all of our channels.

Robert Dyas was proud to join Ryman, another Group company, in becoming an official partner of Comic Relief. Robert Dyas colleagues, customers and suppliers participated in fundraising activities, as well as the sale of Sport Relief product to raise £120,000, resulting in a total for the 2014 campaign by the Group to just under £0.5million and over the years to £2.5 million.

In November 2013, Bea Pearson was promoted to the role of Chief Operating Officer for Robert Dyas. It gave the Board great pleasure to see Bea take up this position having started with the business 11 years ago in store. A Robert Dyas person through and through, Bea shares my passion for the brand and its future. The Robert Dyas business is also benefiting from the recent strengthening of the senior management team in various disciplines across our Group of businesses.

I strongly believe and recent performance confirms to me that Robert Dyas has great potential. The business is now receiving the investment and attention that will give it every opportunity to fulfil this. Key projects are planned over the next 18 months that will continue to improve and modernise our operations to give our dedicated colleagues every chance of delivering further success. I am grateful for the enthusiasm and commitment shown by our colleagues, suppliers and other stakeholders to our plans and look forward to an exciting future.

# Robert Dyas Holdings Limited

Strategic report  
for the year ended 29 March 2014 (*continued*)

## Key Performance Indicators

Like for like sales increased by 8.3% (2013 – 11.2%).

Turnover increased 8.6% to £124.21 million (2013 - £114.37 million).

Operating profit before exceptional items was 7.2% up at £5.24 million (2013 - £4.89 million).

Net assets at 29 March 2014 of £14.27 million (2013 - £10.42 million).

Underlying EBITDA is calculated as follows:

	2014 £'000	2013 £'000
Operating profit before exceptional item	5,239	4,894
Add back:		
Depreciation and impairment of fixed assets	1,231	866
Pre-opening costs	6	-
(Profit) on disposal of tangible fixed assets and store closures	(13)	(704)
Pension contributions	(212)	(201)
	<u>6,251</u>	<u>4,855</u>

The directors are satisfied with the performance of the company against these key performance indicators.

## Principal risks and uncertainties

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

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

### Strategic risks

#### *The Economy*

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

#### *Competition*

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

# Robert Dyas Holdings Limited

Strategic report  
for the year ended 29 March 2014 (continued)

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## **Operational risks**

### *Stock*

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

### *People*

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

### *Suppliers*

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

## **Financial risks**

### *Cash flow*

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

### *Currency risk*

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

### *Pension scheme*

The defined benefit pension scheme showed a deficit, net of deferred tax, of £665,000 (2013 - £868,000) at the year end. The reduction in the deficit is predominantly due to:

- change in actuarial assumptions with the discount rate applied reducing from 4.7% in the prior year to 4.6% with the resultant increase in the value of the pension scheme liabilities and
- less than expected investment returns resulting in an experience loss on the assets, offset by
- an experience gain on the liabilities of £233,000.

The Pension Scheme Trustees have agreed with the company that they will not seek to increase contributions to the scheme beyond those currently agreed until at least June 2015, unless required to do so by Statute or Regulation. However, in the longer term, if the value of the scheme assets were to decline significantly relative to its liabilities, the company might need to make further additional contributions to cover any shortfall. This would have an adverse impact on cash flow. The company has agreed, on a contingent basis triggered by financial performance, to increase monthly contributions by £10,000 from July 2015 to March 2016. 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


Strategic report  
for the year ended 29 March 2014 (*continued*)

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## Capital expenditure and cash

Tangible fixed assets acquired during the year, mainly incurred on store fixtures, fittings and equipment, amounts to £1,243,000 (2013 - £651,000). The cash balance held at the bank on 29 March 2014 was £3,469,000 (2013 - £3,950,000).

On behalf of the Board



T Paphitis  
Chairman

Date 30/10/2014

# Robert Dyas Holdings Limited

## Report of the directors for the year ended 29 March 2014

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The directors present their report together with the audited financial statements for the year ended 29 March 2014.

### Results and dividends

The profit and loss account is set out on page 10 and shows the result for the year.

The profit after taxation for the year amounted to £3,838,000 (2013 - £3,079,000).

The directors do not recommend the payment of a dividend (2013 - £Nil).

### Principal activities, business review and future developments

The company is a retailer specialising in functional home and garden products through the Robert Dyas chain of stores and online through [www.robertdyas.co.uk](http://www.robertdyas.co.uk).

A review of the business and future developments is contained in the Strategic Report on page 1.

### Financial risk factors

The consideration of the key financial risk factors is contained in the Strategic report on page 1.

### Colleagues

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

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

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

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

### 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.

# Robert Dyas Holdings Limited

## Report of the directors for the year ended 29 March 2014 (*continued*)

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### Directors

The directors of the company during the year were:

T Paphitis	
K Kyprianou	
B Pearson	
S Dover	
T Maywood	(Appointed 9 June 2013, resigned 30 September 2014)
S Back	(Appointed 2 September 2013, resigned 31 March 2014)
P C Green	(Resigned 30 November 2013)

### Directors' responsibilities

The directors are responsible for preparing the strategic report, 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.



# Robert Dyas Holdings Limited

## Report of the directors for the year ended 29 March 2014 (*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 be automatically re-appointed as auditors 28 days after these financial statements are sent to the members, unless the members exercise their rights under the Companies Act 2006 to prevent their re-appointment.

By order of the Board



T Paphitis  
Director

Date 30/10/2014

# Robert Dyas Holdings Limited

## Independent auditor's report

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

We have audited the financial statements of Robert Dyas Holdings Limited for the year ended 29 March 2014 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses 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 29 March 2014 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.

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

In our opinion 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.

# Robert Dyas Holdings Limited

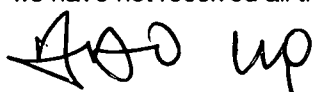
## Independent auditor's report (continued)

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### 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.

 JRO up

*James Roberts (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Gatwick  
United Kingdom*

Date 30 October 2014

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

# Robert Dyas Holdings Limited

## Profit and loss account for the year ended 29 March 2014

	Note	2014 £'000	2013 £'000
<b>Turnover</b>	2	124,209	114,374
Cost of sales		(104,889)	(98,916)
<b>Gross profit</b>		19,320	15,458
Selling, distribution and administration costs		(14,081)	(10,564)
<b>Operating profit before exceptional item</b>		5,239	4,894
Exceptional item: - restructuring costs	4	-	(1,487)
<b>Operating profit</b>	4	5,239	3,407
Interest receivable and similar income	6	573	545
Interest payable and similar charges	7	(725)	(800)
<b>Profit on ordinary activities before taxation</b>		5,087	3,152
Taxation	8	(1,249)	(73)
<b>Profit on ordinary activities after taxation</b>		3,838	3,079

All amounts relate to continuing activities.

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

# Robert Dyas Holdings Limited

## Statement of total recognised gains and losses for the year ended 29 March 2014

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	Note	2014 £'000	2013 £'000
Profit for the year		3,838	3,079
Actuarial gain/(loss) recognised in respect of the pension fund	17	49	(720)
Deferred tax thereon	13	(86)	102
Current tax on pension contributions	17	48	49
<b>Total recognised gains and losses for the year</b>		<u>3,849</u>	<u>2,510</u>

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

# Robert Dyas Holdings Limited

## Balance sheet at 29 March 2014

<i>Company number 04041884</i>	Note	2014 £'000	2014 £'000	2013 £'000	2013 £'000
<b>Fixed assets</b>					
Tangible assets	9		6,287		6,400
<b>Current assets</b>					
Stocks	10	18,491		16,845	
Debtors	11	7,222		5,650	
Cash at bank and in hand		3,469		3,950	
		29,182		26,445	
<b>Creditors: amounts falling due within one year</b>	12	(18,386)		(18,607)	
<b>Net current assets</b>			10,796		7,838
<b>Total assets less current liabilities</b>			17,083		14,238
<b>Provisions for liabilities</b>	13	(2,147)		(2,948)	
<b>Net assets excluding pension liability</b>			14,936		11,290
Net pension liability	17		(665)		(868)
			14,271		10,422
<b>Net assets</b>			14,271		10,422
<b>Capital and reserves</b>					
Called up share capital	14		706		706
Share premium	15		6,989		6,989
Capital contribution reserve	15		3,515		3,515
Profit and loss account	15		3,061		(788)
			14,271		10,422
<b>Equity shareholders' funds</b>	15		14,271		10,422

The financial statements were approved by the Board of directors and authorised for issue on

30/10/2014

  
T Papadimitriou  
Director

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

# Robert Dyas Holdings Limited

## Notes forming part of the financial statements for the year ended 29 March 2014

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### 1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

#### *Going concern*

The company and group has loan facilities from a related party, Theo Paphitis Funding Limited, of £12,000,000 which have been extended to October 2015. The directors therefore consider that the company will be able to meet its liabilities as they fall due for the foreseeable future. It is on this basis that the directors consider it appropriate to prepare the company's financial statements on a going concern basis.

#### *Cash flow statement*

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Fivefathers Holdings Limited and the company is included in consolidated financial statements.

#### *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.

#### *Tangible fixed assets*

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*

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all tangible fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

Fixtures, fittings and equipment - 7.5% - 33.33% straight line

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.

# Robert Dyas Holdings Limited

## Notes forming part of the financial statements for the year ended 29 March 2014 (*continued*)

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### 1 Accounting policies (*continued*)

#### *Impairment review*

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

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

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

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

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

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

#### *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.

#### *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.



# Robert Dyas Holdings Limited

## Notes forming part of the financial statements for the year ended 29 March 2014 (*continued*)

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### 1 Accounting policies (*continued*)

#### *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.

#### *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.

#### *Pension scheme*

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

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

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

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

#### *Interest on intra-group balances*

The company charges and receives interest on the balances owed from and to trading group companies.

#### *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.

#### *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.

## Robert Dyas Holdings Limited

Notes forming part of the financial statements  
for the year ended 29 March 2014 (*continued*)

### 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.

### 3 Employees

	2014 £'000	2013 £'000
Staff costs consist of:		
Wages and salaries	15,377	14,975
Social security costs	1,078	1,082
Other pension costs	383	358
	16,838	16,415
	16,838	16,415

The average number of employees (including directors) during the year was as follows:

	2014 Number	2013 Number
Selling and distribution	1,194	1,121
Administration	144	126
	1,338	1,247
	1,338	1,247

### 4 Operating profit

	2014 £'000	2013 £'000
This has been arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	1,612	1,579
Tangible fixed assets impairment reversal	(381)	(713)
Profit on disposal of tangible fixed assets and store closures	(3)	(704)
Reduction in onerous lease provision	(801)	(263)
Auditors' remuneration	69	68

The exceptional item in the prior year, totalling £1,487,000, related to restructuring costs in respect of the change of ownership and senior management changes that took place.

Operating lease rentals:		
- land and buildings	10,080	9,791
- motor vehicles and equipment	198	199
	10,278	9,990
	10,278	9,990

# Robert Dyas Holdings Limited

Notes forming part of the financial statements  
for the year ended 29 March 2014 (*continued*)

## 5 Directors' remuneration

	2014 £'000	2013 £'000
Remuneration paid	688	1,104
Compensation for loss of office	-	247
Pension contributions	49	64
	737	1,415
	737	1,415

There were three directors in the company's defined contribution pension scheme during the year (2013 – 3).

### Highest paid director

	2014 £'000	2013 £'000
Remuneration	203	266
	203	266
Compensation for loss of office	-	220
	-	220
Contributions to defined contribution scheme	20	13
	20	13
	20	13

## 6 Interest receivable and similar charges

	2014 £'000	2013 £'000
Bank interest receivable	10	6
Interest receivable from group companies	12	-
Pension - expected return on assets (see note 17)	551	539
	573	545
	573	545

## 7 Interest payable and similar charges

	2014 £'000	2013 £'000
Bank interest payable	-	69
Bank facility fees	1	48
Interest payable to related party	42	88
Interest payable to group companies	167	99
Pension - interest cost (see note 17)	515	496
	725	800
	725	800

## Robert Dyas Holdings Limited

Notes forming part of the financial statements  
for the year ended 29 March 2014 (*continued*)

### 8 Taxation on profit from ordinary activities

	2014 £'000	2013 £'000
<i>Current tax</i>		
UK corporation tax on profits for the year	1,103	639
Adjustment in respect of previous periods	-	101
	1,103	740
<i>Deferred tax</i>		
Origination and reversal of timing differences	146	(667)
	146	(667)
Taxation on profit on ordinary activities	1,249	73

The tax assessed for the year is different to the standard rate of corporation tax in the UK. The differences are explained below:

	2014 £'000	2013 £'000
Profit on ordinary activities before tax	5,087	3,152
	5,087	3,152
Profit on ordinary activities at the standard rate of corporation tax in the UK of 23% (2013 - 24%)	1,170	756
Effects of:		
Capital allowances for year in excess of depreciation	(113)	(131)
Expenses not deductible for tax purposes	21	41
Income not taxable for tax purposes	(8)	(29)
Other short term timing differences	(2)	2
Chargeable gain	35	-
Adjustment in respect of prior periods	-	101
	1,103	740
Current tax charge for year	1,103	740

# Robert Dyas Holdings Limited

Notes forming part of the financial statements  
for the year ended 29 March 2014 (*continued*)

## 9 Tangible fixed assets

	Short leasehold land and buildings £'000	Fixtures, fittings and equipment £'000	Total £'000
<i>Cost or valuation</i>			
At 30 March 2013	2,038	24,419	26,457
Additions	-	1,243	1,243
Disposals	(607)	(561)	(1,168)
	<hr/>	<hr/>	<hr/>
At 29 March 2014	1,431	25,101	26,532
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 30 March 2013	1,569	18,488	20,057
Provided for the year	97	1,515	1,612
Impairment reversal	(42)	(339)	(381)
Disposals	(578)	(465)	(1,043)
	<hr/>	<hr/>	<hr/>
At 29 March 2014	1,046	19,199	20,245
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 29 March 2014	385	5,902	6,287
	<hr/>	<hr/>	<hr/>
At 30 March 2013	469	5,931	6,400
	<hr/>	<hr/>	<hr/>

The impairment gain of £381,000 (2013 – gain £713,000) is a reversal of charges previously made and relates to individual store income generating units. The recoverable amount of the related fixed assets have been reassessed based on value in use.

## 10 Stocks

	2014 £'000	2013 £'000
Goods for resale	18,491	16,845
	<hr/>	<hr/>

# Robert Dyas Holdings Limited

Notes forming part of the financial statements  
for the year ended 29 March 2014 *(continued)*

## 11 Debtors

	2014 £'000	2013 £'000
Amounts receivable within one year		
Trade debtors	881	327
Other debtors	712	379
Prepayments and accrued income	4,540	4,277
Amounts owed by parent company	561	-
	6,694	4,983
Amounts receivable after more than one year		
Deferred taxation (see note 13)	528	667
	7,222	5,650
	7,222	5,650

## 12 Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Amounts due to related parties (secured)	-	1,000
Trade creditors	7,578	8,069
Other taxation and social security	1,830	1,505
Corporation tax	466	473
Accruals and deferred income	3,717	3,071
Other creditors	236	118
	13,827	14,236
Amounts owed to group companies	4,559	4,371
	18,386	18,607
	18,386	18,607

- At the end of the year the company, as a member of the Gladys Emmanuel Limited group of companies, had a working capital facility of £2,250,000 (part of the £12,000,000 loan facility provided by Theo Paphitis Funding Limited). As at the balance sheet date this facility is unutilised (2013 - £1,000,000). The interest rate on the facility is 2.50% above LIBOR.
- The company has granted a fixed and floating charge over its assets in favour of Theo Paphitis Funding Limited in respect of the company's and fellow group companies' obligations under the £12,000,000 loan agreement. At 29 March 2014 amounts outstanding and covered by this arrangement totalled £6,000,000 (2013 - £8,750,000).

# Robert Dyas Holdings Limited

Notes forming part of the financial statements  
for the year ended 29 March 2014 (continued)

## 13 Provisions for liabilities

	<b>Onerous leases £'000</b>
At 30 March 2013	(2,948)
Credited to profit and loss account:	801
	<hr/>
Balance at 29 March 2014	(2,147)
	<hr/> <hr/>

### Provision for onerous leases

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 20% (2013 - 23%). Deferred tax is included in the balance sheet as follows:

	<b>Included in debtors £'000</b>	<b>Included in net pension liability £'000</b>	<b>Total £'000</b>
At 30 March 2013	667	259	926
Included in the statement of total recognised gains and losses	-	(86)	(86)
Included in the profit and loss account (see note 8)	(139)	(7)	(146)
	<hr/>	<hr/>	<hr/>
At 29 March 2014	528	166	694
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Included in the £528,000 above, the company has continued to recognise deferred tax assets in respect of accelerated capital allowances of £523,000 (2013 - £662,000) due to the expectation of future profits.

In March 2013, the Chancellor of the Exchequer announced that the main rate of UK corporation tax would reduce from 24% to 23% with effect from 1 April 2013. This tax change was substantively enacted in March 2013 and has been included in these financial statements.

In addition to the changes in rates of Corporation tax disclosed above further changes to the UK Corporation tax rates were announced in the March 2013 Budget. These include a further reduction which was substantively enacted on 2 July 2013, resulting in a reduction in the main rate of UK Corporation tax to 21% from 1 April 2014 and then to 20% from 1 April 2015. As a consequence of these reductions, deferred tax assets and liabilities at the balance sheet date have been recognised at the lower rate of UK Corporation tax.

# Robert Dyas Holdings Limited

Notes forming part of the financial statements  
for the year ended 29 March 2014 *(continued)*

## 14 Share capital

	Allotted, called up and fully paid			2013 £'000
	2014 Number	2013 Number	2014 £'000	
Ordinary shares of 5p each	14,122,160	14,122,160	706	706

## 15 Reconciliation of shareholders' funds and movements on reserves

	Share capital £'000	Share premium £'000	Capital contribution reserve £'000	Profit and loss account £'000	Total £'000
At 30 March 2013	706	6,989	3,515	(788)	10,422
Profit for the year	-	-	-	3,838	3,838
Actuarial gain recognised in respect of the pension scheme (net of deferred tax)	-	-	-	11	11
At 29 March 2014	706	6,989	3,515	3,061	14,271

The profit and loss account is analysed as follows:

	Pension reserve £'000	Profit and loss reserve £'000	Total £'000
At 30 March 2013	(1,976)	1,188	(788)
Profit for the year	-	3,838	3,838
Actuarial gain recognised in respect of the pension scheme (net of deferred tax)	11	-	11
At 29 March 2014	(1,965)	5,026	3,061



# Robert Dyas Holdings Limited

Notes forming part of the financial statements  
for the year ended 29 March 2014 (continued)

## 16 Operating leases

As at 29 March 2014, the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2014 £'000	Other 2014 £'000	Land and buildings 2013 £'000	Other 2013 £'000
Operating leases which expire:				
Within one year	1,997	68	1,900	64
In two to five years	3,146	112	3,567	118
Over five years	4,678	-	4,711	-
	9,821	180	10,178	182
	9,821	180	10,178	182

## 17 Pensions

The company operates one main pension scheme for its employees, the Robert Dyas Limited Pension and Life Assurance Scheme. The scheme was converted from a defined benefit structure to a defined contribution structure in respect of pensionable employment from 1 April 2000, but retained some defined benefit liabilities in respect of benefits accrued to 31 March 2000.

The details below relate to the defined benefit section of the scheme. In addition, the company's contributions payable to the defined contribution section of the scheme were £124,000 (2013 - £129,000) for the year ended 29 March 2014.

The company expects to make contributions of £211,000 to the defined benefit section of the scheme and £127,000 to the defined contribution section of the scheme during the year to 28 March 2015.

The scheme's assets are held separately from the assets of the company and are administered by trustees and managed professionally.

A full actuarial valuation of the final salary section was carried out as at 1 April 2010 and has been updated to 29 March 2014 by a qualified independent actuary.

The main assumptions used by the actuary were:

	At 29 March 2014	At 30 March 2013	At 31 March 2012	At 26 March 2011	At 27 March 2010
Rate of inflation	3.10%	3.25%	2.90%	3.25%	3.25%
Rate of increase in pensions in payment:					
- Pre 97 pension	3.00%	3.00%	3.00%	3.00%	3.00%
- Post 97 pension	3.10%	3.15%	3.10%	3.20%	3.50%
Rate of revaluation of pensions in deferment	2.10%	2.25%	2.00%	2.50%	3.25%
Discount rate	4.60%	4.70%	5.20%	5.70%	5.75%
Mortality rate					120% of
	105% of	105% of	105% of	105% of	PNMA00
	S1PXA	S1PXA	S1PXA	S1PXA	1c min 1%
	CMI_2013	CMI_2012	CMI_2011	CMI_2009	males/0.5
	(1.0%)	(1.0%)	(1.0%)	(1.0%)	% females
Commutation allowance	12.5%	12.5%	20.0%	12.5%	12.5%

# Robert Dyas Holdings Limited

Notes forming part of the financial statements  
for the year ended 29 March 2014 (continued)

## 17 Pensions (continued)

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

	Expected long term return 2014 %	Value 2014 £'000	Expected long term return 2013 %	Value 2013 £'000
Equities	6.75	7,326	6.75	6,976
Bonds	4.30	2,992	4.00	2,989
Other	3.00	10	3.00	(27)
Total market value		10,328		9,938
Present value of scheme liabilities		(11,159)		(11,065)
Deficit in the scheme		(831)		(1,127)
Related deferred tax asset		166		259
Net scheme liability		(665)		(868)
<b>Amounts recognised in the profit and loss account</b>			<b>2014 £'000</b>	<b>2013 £'000</b>
Interest cost			(515)	(496)
Expected return on assets			551	539
Total profit and loss return			36	43
<b>Amount recognised in statement of total recognised gains and losses</b>			<b>2014 £'000</b>	<b>2013 £'000</b>
Actual less expected return on assets			(151)	469
Experience gains on liabilities			233	7
Effect of change in assumptions on liabilities			(33)	(1,196)
Deferred tax thereon			(60)	124
Impact of tax rate changes			(26)	(22)
Current tax thereon			48	49
Total gain/(loss) recognised			11	(569)

# Robert Dyas Holdings Limited

Notes forming part of the financial statements  
for the year ended 29 March 2014 (*continued*)

## 17 Pensions (*continued*)

### Reconciliation of assets and liabilities

	2014 £'000	2013 £'000
Fair value of assets at 31 March	9,938	9,047
Expected return on assets	551	539
Employer contributions	211	203
Benefits paid	(221)	(320)
Actuarial gain on assets	(151)	469
	<hr/>	<hr/>
Fair value of assets at 29 March	10,328	9,938
	<hr/> <hr/>	<hr/> <hr/>
	2014 £'000	2013 £'000
Total liabilities at 31 March	11,065	9,700
Interest cost	515	496
Benefits paid	(221)	(320)
Actuarial loss on liabilities	(200)	1,189
	<hr/>	<hr/>
Total liabilities at 29 March	11,159	11,065
	<hr/> <hr/>	<hr/> <hr/>

The total amount recognised in the consolidated statement of total recognised gains and losses in respect of actuarial gains and losses is £11,000 gain (2013 - £569,000 loss).

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 FRS17, are losses of £958,000 (2013 - £969,000 loss).

### History of experience gains and losses

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Present value of scheme liabilities	11,159	11,065	9,700	8,591	8,976
Scheme assets	10,328	9,938	9,047	8,280	7,665
Deficit	(831)	(1,127)	(653)	(311)	(1,311)
Actuarial gains/(losses) on scheme liabilities	200	(1,189)	(795)	756	(1,735)
Experience adjustments on scheme assets	(151)	469	208	37	1,491

# Robert Dyas Holdings Limited

## Notes forming part of the financial statements for the year ended 29 March 2014 (*continued*)

### 18 Guarantees and contingent liabilities

The company is party to a group VAT registration with its parent company and fellow group subsidiaries, Sevenfathers Limited, Gladys Emmanuel Limited, 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 29 March 2014 was £1,542,075 (2013 - £1,218,850).

The company has granted a fixed and floating charge over its assets in favour of Theo Paphitis Funding Limited in respect of the company's and fellow group companies' obligations under the £12,000,000 loan agreement. At 29 March 2014 amounts outstanding and covered by this arrangement totalled £6,000,000 (2013 - £8,750,000).

During the year the letter of credit facilities of £1,750,000 provided by Lloyds TSB Bank plc were not required by the company. These facilities were cash collateralised by Theo Paphitis Funding Limited as part of the £12,000,000 loan facility referred to above.

### 19 Capital and financial commitments

At 29 March 2014 the company's capital and financial commitments other than those disclosed in note 16 Operating Leases, were £nil (2013 - £nil)

### 20 Related party disclosures

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 Fivefathers Holdings Limited.

#### *Related party transactions and balances*

During the year the company recharged stock for resale totalling £1,084,272 (2013 - £202,054) to and were recharged for stock and management and support fees totalling £1,182,540 (2013 - £800,943) by Ryman Group Limited and its subsidiaries, fellow group companies. At the year end the balance owed by Ryman Group Limited included in trade debtors was £107,956 (2013 - £67,235).

During the year the company recharged management and support fees totalling £55,500 (2013 - £nil) to Boux Avenue Limited, a fellow group company. At the year end the balance owed by Boux Avenue Limited was £15 (2013 - £nil).

During the year the company was charged by Red Letter Days Limited an amount totalling £80,647 (2013 - £2,459) in respect of experience vouchers. T Paphitis, a director of the company, was also a director of Red Letter Days Limited. At the year end the balance owed to Red Letter Days Limited was £2,167 (2013 - £150).

During the year the company repaid the loan of £1,000,000 (part of the £12,000,000 loan facility) to Theo Paphitis Funding Limited, a company of which K Kyprianou and T Paphitis are directors and T Paphitis is the controlling shareholder. At the year end the company owed £130,000, which relates to accrued interest (2013 - £1,088,000, relating to loan and accrued interest). The total interest charged in the year was £42,000 (2013 - £88,000).

During the year the letter of credit facilities provided to the company by Lloyds Bank plc of £1,750,000 were terminated in full. These facilities were cash collateralised by Theo Paphitis Funding Limited as part of the £12,000,000 loan facility.

# Robert Dyas Holdings Limited

Notes forming part of the financial statements  
for the year ended 29 March 2014 (*continued*)

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## 21 Controlling party

On 2 August 2013 the Company's ultimate parent company became Fivefathers Holdings Limited, which is now the parent of both the smallest and largest groups of which the Company is a member. Fivefathers Holdings Limited is registered in Cyprus and a copy of its financial statements can be obtained from its registered office at Karaiskaki 6, City House, 3032, Limassol, Cyprus. Prior to this date the Company's ultimate parent company was Gladys Emmanuel Limited Limited.

At 29 March 2014, the Company was a wholly owned subsidiary of Cleeve Court Holdings Limited, a company incorporated in England and Wales.

The directors consider Theo Paphitis to be the ultimate controlling party.