

**AUSTIN REED CREDIT SERVICES LIMITED**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2014**



## **STRATEGIC REPORT**

The Directors present their strategic report together with the audited financial statements for the year ended 31 January 2014.

### **Business Activities**

The company continued to provide credit services and extended credit facilities for retail customers of Austin Reed Limited and fellow subsidiaries.

### **Financial Performance**

The profit and loss account for the year is set out on page 5. The profit for the year, after taxation, amounted to £138,630 (2013: £32,851).

### **Principal Risks and Uncertainties**

The Company continues to be exposed to the risks of the economic downturn in the UK, which has led to reduced consumer demand and reduced income. The company's profitability is influenced primarily by the cost of the borrowings undertaken to finance its business.

### **Debt and Gearing**

The Company has guaranteed loans to its ultimate parent company Gajan Holdings Ltd. These loans with Landsbanki Commercial Finance totalling £7.3m (2013: £7.3m) are repayable in varying amounts between 1 and 4 years and bear interest charged at LIBOR plus a margin.

### **Employment of Disabled Persons**

The company continues to provide full and sympathetic consideration to the employment, training, career development and promotion of disabled employees; including those becoming disabled after their employment has commenced. Each case is considered on its individual circumstances.

### **Employee Communication**

The company has maintained its arrangements for communication to employees through weekly newsletters, bulletins, periodic reports and the intranet.

On behalf of the Board

  
**A Charlton**  
**Director**

29 October 2014

## **DIRECTORS' REPORT**

The Directors present their report together with the audited financial statements for the year ended 31 January 2014.

### **Dividends**

The Directors do not recommend the payment of a final dividend (2013: £nil).

### **Directors**

The Directors of the company at 31 January 2014, all of whom have served throughout the year, unless otherwise stated were:

A Charlton  
NW Hollingworth

### **Directors' Responsibilities**

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 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
- 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.

## **DIRECTORS' REPORT (continued)**

### **Auditors and Annual General Meeting**

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.

In accordance with the Companies Act 2006, the company continues to dispense with the holding of Annual General Meetings, of laying financial statements and reports before the company in General Meeting, and with the obligation to reappoint the auditors annually.

On behalf of the Board

A Charlton  
Director



29 October 2014

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTIN REED CREDIT SERVICES LIMITED

We have audited the financial statements of Austin Reed Credit Services Limited for the year ended 31 January 2014 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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

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

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 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.

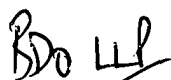
### Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Paul Davies (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Leeds  
United Kingdom

29 October 2014

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

AUSTIN REED CREDIT SERVICES LIMITED  
PROFIT & LOSS ACCOUNT

For the year ended 31 January 2014

	Notes	2014 £	2013 £
Turnover	1	60,824	65,005
Administrative expenses		119,594	(21,593)
Profit on ordinary activities before taxation	2	180,418	43,412
Taxation	5	(41,788)	(10,561)
Profit for the financial year	9	138,630	32,851

All results derive from continuing operations.

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the profit retained for the year stated above, and their historical cost equivalents.

AUSTIN REED CREDIT SERVICES LIMITED  
BALANCE SHEET

at 31 January 2014

	Notes	2014 £	2013 £
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Company No. 1529898			
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CURRENT ASSETS			
DEBTORS			
- Amounts falling due within one year	6	1,616,997	1,541,483
- Amounts falling due after one year	6	101,531	140,019
		<u>1,718,528</u>	<u>1,681,502</u>
CASH AT BANK AND IN HAND		56,129	65,724
CREDITORS			
Amounts falling due within one year	7	(1,303,426)	(1,414,625)
Net assets		<u>471,231</u>	<u>332,601</u>
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CAPITAL AND RESERVES			
Called up share capital	8	100	100
Profit and loss account	9	471,131	332,501
Shareholder's funds	10	<u>471,231</u>	<u>332,601</u>
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The financial statements on pages 5 to 9 were approved by the Board of Directors and authorised for issue on 29 October 2014 and are signed on its behalf by :

A Charlton



Director

AUSTIN REED CREDIT SERVICES LIMITED  
NOTES TO THE FINANCIAL STATEMENTS

at 31 January 2014

1. ACCOUNTING POLICIES

The accounting policies have been applied consistently throughout the periods under review and are in accordance with applicable United Kingdom law and Accounting Statements.

The financial statements have been prepared for the 52 weeks ended 25 January 2014. The comparative period is for the 52 weeks ended 26 January 2013.

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents interest charged to credit card holders and is recognised as it is charged on an accruals basis. All turnover originates and has its destination in the United Kingdom.

Cashflow Statement

The company is a wholly-owned subsidiary of Austin Reed Group Limited and the cash flows of the company are included in the consolidated group cash flow statement of Austin Reed Group Limited. Consequently the company is exempt under the terms of Financial Reporting Standard No. 1 from publishing a cashflow statement.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2014	2013
	£	£
Profit on ordinary activities before taxation		
is stated after charging:		
Auditors' remuneration - Audit fees	5,500	5,500

3. EMPLOYEES

The salary costs of staff employed during the year were borne by a fellow subsidiary company.

Directors' Remuneration

None of the directors received any emoluments or had pension contributions made on their behalf in respect of services to the company in either year.



AUSTIN REED CREDIT SERVICES LIMITED  
NOTES TO THE FINANCIAL STATEMENTS

at 31 January 2014

4. DIVIDENDS PAID AND PROPOSED

	2014 £	2013 £
Dividends declared and paid during the year:		
Interim dividend per share for the year to 31 January 2014: £nil (2013: £nil)	-	-
	-	-

5. TAXATION

The taxation charge which is based on the profit for the year is made up as follows :-

	2014 £	2013 £
Current year :		
Group relief at 23.16% (2013 : 24.33%)	41,788	10,561
	<u>41,788</u>	<u>10,561</u>
Reconciliation of current tax charge/(credit)		
Profit on ordinary activities before taxation	<u>180,418</u>	<u>43,412</u>
Expected tax charge at standard rate of 23.16% (2013: 24.33%)	<u>41,788</u>	<u>10,561</u>
Current tax charge for the year	<u>41,788</u>	<u>10,561</u>

6. DEBTORS

	2014 £	2013 £
Amounts falling due within one year:		
Trade debtors	417,249	344,244
Amount due from parent company	<u>1,199,748</u>	<u>1,197,239</u>
	<u>1,616,997</u>	<u>1,541,483</u>
Amounts falling due after more than one year:		
Trade debtors	<u>101,531</u>	<u>140,019</u>
	<u>101,531</u>	<u>140,019</u>

7. CREDITORS

Amounts falling due within one year

	2014 £	2013 £
Trade creditors	<u>1,303,426</u>	<u>1,414,625</u>
	<u>1,303,426</u>	<u>1,414,625</u>

AUSTIN REED CREDIT SERVICES LIMITED  
NOTES TO THE FINANCIAL STATEMENTS

at 31 January 2014

8. SHARE CAPITAL

	2014	2013
	£	£
Ordinary shares of £1 each Issued, called up and fully paid	<u>100</u>	<u>100</u>

9. PROFIT AND LOSS ACCOUNT

	2014	2013
	£	£
At start of year	332,501	299,650
Profit for the year	<u>138,630</u>	<u>32,851</u>
At end of year	<u>471,131</u>	<u>332,501</u>

10. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	2014
	£
Opening shareholder's funds	332,601
Profit for the year	<u>138,630</u>
Closing shareholder's funds	<u>471,231</u>

11. CONTINGENT LIABILITY

The company and fellow subsidiaries are part of a cross guarantee in relation to a loan to their parent company, Darius Capital Limited. At 31 January 2014 the balance on the loan was £7,348,030 (2013: £7,348,030).

12. ULTIMATE CONTROLLING PARTY

The company is a wholly owned subsidiary of Austin Reed Group Limited, a company registered in England. Under the terms of Financial Reporting Standard No. 8 Austin Reed Credit Services Limited is exempt from disclosing related party transactions and balances with entities within the Austin Reed Group Limited group of companies.

The ultimate controlling party is Gajan Holdings Limited. Copies of the consolidated accounts of Gajan Holdings Limited may be obtained from The Secretary, Station Road, Thirsk, North Yorkshire YO7 1QH.