
CONRAN HOLDINGS LIMITED

These are Parent Company accounts for Conran Roche Limited,
Company number 02374858, page 37

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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CONRAN HOLDINGS LIMITED

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CONRAN HOLDINGS LIMITED

COMPANY INFORMATION

Directors R Seelig (Chairman)
 Lady Conran
 E Dunley
 T Bowder-Ridger
 V Radice

Company secretary E Dunley

Registered number 02836732

Registered office 22 Shad Thames
 London
 SE1 2YU

Independent auditor Mazars LLP
 Tower Bridge House
 St Katharine's Way
 London
 E1W 1DD

CONRAN HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2016

The directors present their Strategic Report for the year ended 31 March 2016.

STRATEGIC REVIEW OF BUSINESS

The principal activities of the group are the retail of home furnishings, the operation of an architecture and design practice and brand licensing

The group continues to focus on core group activity and direct operations in key areas to improve trading results. The Conran licensing business was transferred into Conran Licence Limited a subsidiary of the retail business from 1 April 2015.

Group results

Continuing operations turnover for the year was £36,081,000 (2015: £36,032,000) and the loss before tax excluding associates £3,308,000 (2015: loss before tax and exceptional items £1,383,000). EBITDA (earnings before interest, taxes, depreciation and amortisation) excluding associates for the year in respect of continuing operations amounted to a loss of £2,405,000 (2015: loss £579,000 after exclusion of exceptional items).

The loss before tax excluding associates was £3,308,000 (2015: loss before tax £2,150,000). EBITDA (earnings before interest, taxes, depreciation and amortisation) excluding associates for the year in respect of continuing operations amounted to a loss of £2,405,000 (2015: loss £1,346,000).

Discontinued operations were principally in relation to withdrawal from a licence agreement. Turnover for the year was £NIL (2015: £1,690,000) and the profit before tax was £NIL (2015: £499,000). EBITDA for the year amounted to a profit of £NIL (2015: £503,000).

Architecture and interior design

The strategy of investing in senior, highly-skilled and creative staff continues to ensure that the business enjoys a strong reputation in the core Architecture and Interior Design disciplines. The business continues to win and deliver sizeable and high-profile projects and to win awards for work across all sectors within these disciplines. In order to focus on these core activities the business disposed of the licensing division on 31 March 2015 and discontinued activities relating to product and graphic design.

Continuing operations turnover for the year increased by 13% from £4,787,000 in 2015 to £5,409,000 in 2016 and the profit before tax increased by 7% to £443,000 (2015: £413,000). EBITDA increased from £481,000 in 2015 to £560,000 in 2016.

Discontinued operations turnover for the year was £NIL (2015: £1,690,000) and the profit before tax was £NIL (2015: £499,000). EBITDA for the year amounted to £NIL (2015: £503,000).

The forecast of confirmed projects for the coming year looks very strong and reflects the excellent reputation the practice has for delivering creative and commercially successful projects

CONRAN HOLDINGS LIMITED

GROUP STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2016

Retail

The current year has been one of transition for the business and the results do not ultimately reflect the progress made in the business during the year and the underlying optimism about the future. A key change during the year was the appointment of an experienced Chief Executive Officer with significant retail experience. The Group recognised the requirement for senior retail expertise within the business and has given the Chief Executive Officer full remit to build a new senior team and implement change across the business. Other senior appointments have been made across key areas of the business and there is now a team in place to provide a strong platform for growth.

During the year the business opened a concession in Selfridges. That has been successful and has contributed significantly to sales growth and contribution. The success of the Selfridges concession is an important strategic development aimed at building broader brand awareness to new markets at both home and abroad.

During the transition turnover for the year decreased from £30,334,000 in 2015 to £29,980,000 in 2016. EBITDA declined from a loss of £1,506,000 before exceptionals in 2015 (£1,963,000 after exceptional items) to a loss of £3,612,000 in 2016.

In spite of the tough trading conditions for UK retailers, and the uncertainty both before and after the EU Referendum during early 2016, current trade in the financial year has been encouraging in the first three quarters with total like for like sales growth of 7% year on year and E-commerce delivering 66% growth.

The brand retains its iconic appeal and the new management team aim to build on the legacy created by Sir Terence Conran in order to drive growth for the business. With the ultimate backing of the Group, ambitious growth plans have been set and the business is optimistic about the future.

The French operations continue to be affected by the concerns over the French economy and the impact of terrorist attacks. In spite of these tough trading conditions, current trade in the financial year has been encouraging in the first three quarters with total like for like sales growth of 3% year on year and E-commerce delivering 53% growth.

KEY PERFORMANCE INDICATORS

Given the straightforward nature of the business, the group's key performance indicators are turnover and EBITDA (earnings before interest, tax, depreciation and amortisation), with the 2016 performance shown in the profit and loss account in note 4 of the financial statements and discussed above.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors review the risks and uncertainties relevant to the group on a regular basis and consider that these relate principally to the economic environment prevailing in the UK and internationally. The directors have taken and continue to take steps to minimise the dependence of the group on any particular market sector or single client or customer, but the business remains susceptible to any downturn in the economies of the countries in which it operates.

CONRAN HOLDINGS LIMITED

GROUP STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2016

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the group's policies approved by the board of directors. The group does not use derivative financial instruments for speculative purposes.

Cash flow risk

The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The group uses foreign exchange forward contracts to hedge these exposures.

Credit risk

The group's principal financial assets are cash, trade and other debtors, and investments.

The group's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful debts. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The group has no significant concentration of credit risk.

Liquidity risk

The group does not have any exposure to liquidity risk due to the positive cash reserves.

GOING CONCERN

In their review of going concern, the directors considered the following key risks:

- The implications of the economic environment on the group's revenues and profits – the group undertakes forecasts and projections of trading and cash flows on a regular basis. This is essential for targeting performance and identifying areas of focus for management to improve performance and mitigate the possible adverse impact of a challenging economic outlook, and for providing projections of working capital requirements.
- The highly competitive environment in which the group trades – the group has in place a significant number of pro-active initiatives to mitigate the possible adverse impact of increased competitive pressure.

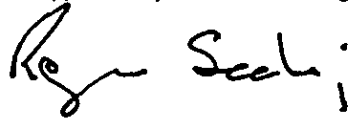
The group's forecasts and projections show that the group should be able to operate within the level of its current cash resources and bank facilities for the foreseeable future. As a consequence, the directors believe that the group is well placed to manage its business risks successfully. After making due enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of signature of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the group's annual consolidated financial statements.

CONRAN HOLDINGS LIMITED

GROUP STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016

This report was approved by the board and signed on its behalf.

R Seelig
Chairman

A handwritten signature in black ink, appearing to read 'R Seelig', is written over the printed name.

Date: 17/02/2017

CONRAN HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report and the financial statements for the year ended 31 March 2016.

A review of the business including future developments as well as principal key risks is not shown in the Directors' Report as this information is included within the Strategic Report under s414C(11) of the Companies Act 2006.

Directors' responsibilities statement

The directors are responsible for preparing the Group 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to.

- select suitable accounting policies for the Group financial statements and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation amounted to £3,425,000 (2015 - loss £1,855,000).

The loss for the year excluding exceptionals is £3,425,000 (2015: £1,088,000).

Dividends paid to minority interest during the year was £188,000 (2015: £473,000).

CONRAN HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

Directors

The directors who served during the year were:

R Seelig (Chairman)
Lady Conran
E Dunley
T Bowder-Ridger
V Radice
Sir Terence Conran (resigned 6 July 2015)
J Conran (resigned 24 September 2015)

Employee Involvement

The group has an active policy of communicating to all its staff through a briefing system which ensures that the staff are kept informed of business and strategic developments on a timely basis. Where relevant, staff are consulted at all levels on matters relating to their area of business and on matters affecting their own employment circumstances.

Disabled employees

The group gives full consideration to applications for employment from disabled persons where they can adequately fulfil the requirements of the job.

Where existing employees become disabled, it is the group's policy wherever practicable, to provide continuing employment under normal terms and conditions and to provide training, career development and promotion to disabled employees wherever appropriate.

Directors' indemnities

The group has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that.

- so far as that director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

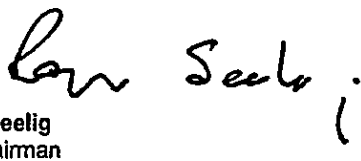
CONRAN HOLDINGS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2016

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.


R Seelig
Chairman

Date: 17/02/2017

Independent auditor's report to the members of Conran Holdings Limited

We have audited the financial statements of Conran Holdings Limited for the year ended 31 March 2016 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".*

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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 Ethical Standards for Auditors. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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.



Samantha Russell (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

Tower Bridge House
St Katharine Way
London
E1W 1DD

Date: 20 February 2017

CONRAN HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016

		Continuing operations 2016 £000	Discontin'd operations 2016 £000	Total 2016 £000	Continuing operations 2015 £000	Discontinued operations 2015 £000	Total 2015 £000
Turnover	5	36,081	-	36,081	36,032	1,690	37,722
Cost of sales		(35,702)	-	(35,702)	(34,181)	(492)	(34,673)
Gross profit		379	-	379	1,851	1,198	3,049
Administrative expenses		(3,675)	-	(3,675)	(3,215)	(699)	(3,914)
Operating (loss)/profit	6	(3,296)	-	(3,296)	(1,364)	499	(865)
Share of operating profit in associates		19	-	19	8	-	8
Total operating (loss)/profit		(3,277)	-	(3,277)	(1,356)	499	(857)
Exceptional Items							
Exceptional costs - product recall		-	-	-	(457)	-	(457)
Associate investment - loan impairment		-	-	-	(310)	-	(310)
(Loss)/profit before interest		(3,277)	-	(3,277)	(2,123)	499	(1,624)
Interest receivable and similar income	9	106	-	106	82	-	82
Interest payable and similar charges	10	(123)	-	(123)	(106)	-	(106)
(Loss)/profit before tax		(3,294)	-	(3,294)	(2,147)	499	(1,648)
Tax on (loss)/profit	11	(131)	-	(131)	(14)	(193)	(207)
(Loss)/profit for the year		(3,425)	-	(3,425)	(2,161)	306	(1,855)

CONRAN HOLDINGS LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT (continued)
FOR THE YEAR ENDED 31 MARCH 2016**

	Continuing operations 2016 £'000	Discontin'd operations 2016 £'000	Total 2016 £'000	Continuing operations 2015 £'000	Discontinued operations 2015 £'000	Total 2015 £'000
(Loss)/profit for the year attributable to:						
Minority interests	137	-	137	190	207	397
Owners of the parent Company	<u>(3,562)</u>	<u>-</u>	<u>(3,562)</u>	<u>(2,351)</u>	<u>99</u>	<u>(2,252)</u>
	<u>(3,425)</u>	<u>-</u>	<u>(3,425)</u>	<u>(2,161)</u>	<u>306</u>	<u>(1,855)</u>

The notes on pages 21 to 51 form part of these financial statements.

CONRAN HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016

	2016 £000	2015 £000
Loss for the financial year	(3,425)	(1,855)
Net exchange difference on retranslation of net assets of subsidiary undertakings	(334)	432
Total comprehensive income for the year	(3,759)	(1,423)
Minority interests	137	397
Owners of the parent Company	(3,562)	(2,252)
Total (loss)/profit for the year	(3,425)	(1,855)
Total comprehensive income attributable to:		
Minority interests	137	397
Owners of the parent Company	(3,896)	(1,820)
	(3,759)	(1,423)

CONRAN HOLDINGS LIMITED
REGISTERED NUMBER: 02836732

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2016

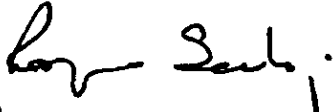
	Note	2016 £000	2015 £000
Fixed assets			
Intangible assets	12	-	-
Tangible assets	13	7,380	7,348
Investments	14	(257)	(271)
		<u>7,123</u>	<u>7,077</u>
Current assets			
Stocks	15	5,251	6,129
Debtors	16	4,746	4,507
Current asset investments		2,000	5,542
Cash at bank and in hand	18	4,932	3,766
		<u>16,929</u>	<u>19,944</u>
Creditors: amounts falling due within one year	19	(13,376)	(11,874)
Net current assets		<u>3,553</u>	<u>8,070</u>
Total assets less current liabilities		<u>10,676</u>	<u>15,147</u>
Creditors: amounts falling due after more than one year	20	(2,300)	(2,801)
Provisions for liabilities			
Deferred taxation	24	(6)	-
Other provisions	25	(274)	(303)
		<u>(280)</u>	<u>(303)</u>
Net assets		<u><u>8,096</u></u>	<u><u>12,043</u></u>
Capital and reserves			
Called up share capital	26	16	16
Share premium account	27	5,768	5,768
Merger reserve	27	359	359
Capital redemption reserve	27	152	152
Profit and loss account	27	1,128	5,024
Equity attributable to owners of the parent Company		<u>7,423</u>	<u>11,319</u>
Minority interests		673	724
		<u><u>8,096</u></u>	<u><u>12,043</u></u>

CONRAN HOLDINGS LIMITED
REGISTERED NUMBER: 02836732

CONSOLIDATED BALANCE SHEET (continued)
AS AT 31 MARCH 2016

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

R Seelig
Chairman



Date: 17/02/2017

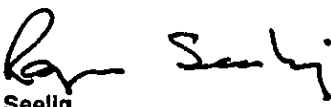
The notes on pages 21 to 51 form part of these financial statements.

CONRAN HOLDINGS LIMITED
REGISTERED NUMBER: 02836732

COMPANY BALANCE SHEET
AS AT 31 MARCH 2016

	Note	2016 £000	2015 £000
Fixed assets			
Tangible assets	13	1,523	1,557
Investments	14	27,335	27,335
		<u>28,858</u>	<u>28,892</u>
Current assets			
Debtors	16	2,446	2,819
Cash at bank and in hand	18	319	185
		<u>2,765</u>	<u>3,004</u>
Creditors: amounts falling due within one year	19	(390)	(477)
Net current assets		<u>2,375</u>	<u>2,527</u>
Total assets less current liabilities		<u>31,233</u>	<u>31,419</u>
Creditors: amounts falling due after more than one year	20	(1,779)	(1,935)
Net assets		<u><u>29,454</u></u>	<u><u>29,484</u></u>
Capital and reserves			
Called up share capital	26	16	16
Share premium account	27	5,768	5,768
Merger reserve	27	8,292	8,292
Capital redemption reserve	27	152	152
Profit and loss account	27	15,226	15,256
Shareholders' funds		<u><u>29,454</u></u>	<u><u>29,484</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by.


R Seelig
Chairman

Date: 17/02/2017

CONRAN HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Merger reserve £'000	Retained earnings £'000	Equity attributable to owners of parent Company £'000	Minority interest £'000	Total equity £'000
At 1 April 2014	18	5,768	150	359	6,846	13,141	800	13,941
Total comprehensive income/(loss) for the year	-	-	-	-	(2,252)	(2,252)	397	(1,855)
(Loss)/profit for the year	-	-	-	-	(2,252)	(2,252)	397	(1,855)
Net exchange difference on retranslation of net assets of subsidiary undertakings	-	-	-	-	432	432	-	432
Contributions by and distributions to owners	(2)	-	2	-	-	-	-	-
Transfer on purchase of own shares	-	-	-	-	(2)	(2)	-	(2)
Purchase of own shares	-	-	-	-	-	-	(473)	(473)
Dividends: Equity capital	-	-	-	-	-	-	-	-
At 31 March 2015	16	5,768	152	359	5,024	11,319	724	12,043
Total comprehensive income/(loss) for the year	-	-	-	-	(3,562)	(3,562)	137	(3,425)
(Loss)/profit for the year	-	-	-	-	(3,562)	(3,562)	137	(3,425)
Net exchange difference on retranslation of net assets of subsidiary undertakings	-	-	-	-	(334)	(334)	-	(334)
Contributions by and distributions to owners	-	-	-	-	-	-	(188)	(188)
Dividends: Equity capital	-	-	-	-	-	-	-	-
At 31 March 2016	16	5,768	152	359	1,128	7,423	673	8,096

CONRAN HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
At 1 April 2014	18	5,768	150	8,292	15,587	29,815
Total comprehensive income/(loss) for the year	-	-	-	-	(329)	(329)
Loss for the year						
Contributions by and distributions to owners						
Transfer on purchase of own shares	(2)		2	-	-	-
Purchase of own shares	-	-	-	-	(2)	(2)
At 31 March 2015	16	5,768	152	8,292	15,256	29,484
Total comprehensive income/(loss) for the year	-	-	-	-	(30)	(30)
Loss for the year						
At 31 March 2016	16	5,768	152	8,292	15,226	29,454

CONRAN HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016**

	2016 £000	2015 £000
Cash flows from operating activities		
Loss for the financial year	(3,425)	(1,855)
Adjustments for:		
Cash-settled share based payment expense	194	672
Depreciation of tangible assets	891	789
Exceptional items	-	310
Loss on disposal of tangible assets	-	13
Share of profit of associates	(19)	(8)
Decrease/(increase) in stocks	878	(15)
Interest paid	123	106
Interest received	(106)	(82)
Tax charge	131	207
(Increase)/decrease in debtors	(310)	1,158
Increase in creditors	559	1,411
(Decrease)/increase in provisions	(29)	96
Corporation tax paid	(50)	(234)
Net cash generated from operating activities	(1,163)	2,568
Cash flows from Investing activities		
Purchase of tangible fixed assets	(877)	(764)
Sale of tangible fixed assets	1	10
Net cash movement in cash deposits	3,542	(5,542)
Interest received	106	82
Net cash from/(used) in Investing activities	2,772	(6,214)

CONRAN HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
31 MARCH 2016

Cash flows from financing activities

Purchase of own shares	-	(2)
Repayment of loan stock	(250)	(250)
Interest paid	(5)	(6)
Dividends paid to minority interest	(188)	(473)

Net cash used in financing activities	(443)	(731)
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Net increase / (decrease) in cash and cash equivalents	1,166	(4,377)
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Cash and cash equivalents at beginning of year	3,766	8,143
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Cash and cash equivalents at the end of year	4,932	3,766
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Cash and cash equivalents at the end of year comprise:

Cash at bank and in hand	4,932	3,766
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CONRAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. General information

Conran Holdings Limited is a limited liability company incorporated in England and Wales. Its registered office is 22 Shad Thames, London, SE1 2YU. The financial statements have been prepared for the year ended 31 March 2016 using GBP Sterling as the presentational currency and rounded to the nearest thousand pound.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 31.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied.

2.2 Basis of consolidation

The Group financial statements consolidate the financial statements of Conran Holdings Limited and all its subsidiary undertakings to 31 March 2016 together with the group's share of the net assets and results of associates. The accounts of all the subsidiaries detailed in note 14 have coterminous year-ends apart from the Conran Shop subsidiaries, whose accounting date ended 27 March. It would not be practical to apportion the results of the Conran Shop subsidiaries to 31 March. No profit and loss account is presented for Conran Holdings Limited as permitted by Section 408 of the Companies Act 2006. The company's loss after taxation for the financial year was £30,000 (2015 loss £229,000).

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2014. Therefore, the Group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

CONRAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.3 Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the business review in the Strategic Report

The directors recognise the importance of being prepared for significant changes in the factors that affect the group. Market, various internal and external risk factors, personnel and a slowly recovering economy all represent challenges for the group and the directors have reviewed the group's forecasts, which show an improvement over the current year. To this end, they have taken steps to ensure the Group remains in a position to react to adverse changes in these contributory factors and remains cash positive, only taking on debt where it is required.

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

2.4 Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and Loss Account over its useful economic life.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis.

Leasehold property	- over the period of the lease
Leasehold improvements	- over the shorter of the period of the lease and 25 years
Fixtures, fittings and equipment	- 3 - 6 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

CONRAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.6 Investments

In the Group's financial statements, investments in subsidiary undertakings are stated at cost less provision for impairment in value. Investments in associates are accounted for using the equity method and shown in the group's balance sheet as the total of the group's share of net assets and, goodwill arising on acquisition, less any amortisation or write-down.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs, including costs incurred in bringing each product to its present location to sell. Cost is based on a weighted average basis

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Share based payments

Cash-settled share-based payment transactions are measured at fair value at grant date using the the Black-Scholes option pricing model. Until the provision is settled, the company re-measures the fair value of the provision at each reporting date and at the date of settlement, with any changes in fair value recognised in Profit and Loss Account for the year.

CONRAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.12 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts and value added tax. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer, usually when the goods are physically delivered to the customer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold,
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction, and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

Long-term contracts

Profit on long-term contracts is taken as the work is carried out if the outcome on such projects can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end by recording turnover and related costs as contract activity progresses. Full provision is made for losses on all contracts in the year they are first foreseen.

Short-term contracts

Short-term contracts are valued at the lower of cost and net realisable value. Net realisable value is based on normal billing rates, less further costs to be incurred to completion.

2.13 EBITDA

The Group believes that earnings before interest, tax, depreciation and amortisation is a useful measure in that it provides shareholders and other stakeholders with a means to evaluate the underlying performance of the company's operations. It is not intended to be a substitute for, or superior to GAAP measurements of profit. An analysis of EBITDA is shown in note 4.

CONRAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.14 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP Sterling

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account except when deferred in other comprehensive income as qualifying cash flow hedges.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.15 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

Lease incentives are recognised over the lease term on a straight line basis.

2.16 Pensions

Certain subsidiary undertakings have contributed to The Conran Shop Limited Money Purchase Plan, a defined contribution scheme administered by Prudential Financial Services Limited. The amount charged to the profit and loss account is the contribution payable for the year.

The Group also make contributions to certain employees' personal pension schemes. These contributions are charged to the profit and loss account as they fall due.

Further information on pension costs is provided in note 28.

2.17 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

CONRAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.18 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

2.19 Finance costs

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and Loss Account in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.21 Current and deferred taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is calculated 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.

Deferred tax assets and liabilities are not discounted.

CONRAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In applying the Group's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future periods.

3.1 Critical judgments in applying the accounting policies

(i) Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of material impairments identified during the current financial year.

Assets that are subject to impairment review are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs).

(ii) Work in Progress

In assessing whether there have been any indicators that a contract has not been accounted for in line with FRS 102, the directors have considered both external and internal sources of information such as market conditions to ensure that the amount of work in progress is measured at the most up to date and close to the year end value. There have been no indicators at the year end that the work in progress balance is misstated in the year.

(iii) Share Based Payments

In assessing whether there have been any indicators that the share based payment provision has not been accounted for in line with FRS 102, the directors have considered historic, current and future forecast financial results to ensure that the provision is measured and recognised over an appropriate vesting period and represents the maximum liability in accordance with valuation formulae set out in the share agreements. There have been no indicators at the year end that the share based payment provision is misstated in the year.

3.2 Key sources of estimation uncertainty

There are no key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

CONRAN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

4. Segmental Information

Turnover and profit/(loss) before tax in 2016 and 2015 were derived substantially from retail, architecture and other activities

	Turnover £000	EBITDA £000	Profit/(loss) before taxation £000	Net assets/ (liabilities) £000
2016 - Continuing operations				
Retail	29,980	(3,612)	(4,306)	(2,733)
Architecture and design	5,409	560	443	2,653
Other	692	666	569	7,503
	<u>36,081</u>	<u>(2,386)</u>	<u>(3,294)</u>	<u>7,423</u>
Less: share of associates included therein	-	(19)	(14)	257
	<u>36,081</u>	<u>(2,405)</u>	<u>(3,308)</u>	<u>7,680</u>
			Profit/(loss) before taxation £000	Net assets/ (liabilities) £000
2015 - Continuing operations				
Retail	30,334	(1,963)	(2,533)	1,837
Architecture and design	4,779	481	413	2,430
Other	919	144	(27)	7,052
	<u>36,032</u>	<u>(1,338)</u>	<u>(2,147)</u>	<u>11,319</u>
Less: share of associates included therein	-	(8)	(3)	271
	<u>36,032</u>	<u>(1,346)</u>	<u>(2,150)</u>	<u>11,590</u>

2015 Retail EBITDA and loss before taxation includes £457,000 exceptional costs. Other EBITDA and profit before taxation includes £310,000 exceptional costs in respect of associate investment loan impairment.

The results of discontinued operations for 2015 are given below:

	Turnover £000	EBITDA £000	Profit/(loss) before taxation £000	Net assets/ (liabilities) £000
2015 - Discontinued operations				
Design and brand licensing	1,690	503	499	-
	<u>1,690</u>	<u>503</u>	<u>499</u>	<u>-</u>

CONRAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

5. Analysis of turnover

An analysis of turnover by geographical market is as follows:

	2016 £000	2015 £000
United Kingdom	27,287	27,622
France	8,794	10,100
	<u>36,081</u>	<u>37,722</u>

Analysis of turnover by country of destination:

	2016 £000	2015 £000
United Kingdom	25,339	24,122
Rest of Europe	8,985	10,183
Rest of the World	1,757	3,417
	<u>36,081</u>	<u>37,722</u>

Analysis of turnover split by type:

	2016 £000	2015 £000
Sale of goods	29,500	29,808
Rendering of services	5,409	5,200
Royalties	1,094	2,629
Other	78	85
	<u>36,081</u>	<u>37,722</u>

CONRAN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

6. Operating loss

The operating loss is stated after charging/(crediting):

	2016	2015
	£000	£000
Depreciation of tangible fixed assets - owned by Group	891	789
Fees payable to the Group's auditor and its associates for the audit of the company's annual financial statements	79	83
Fees payable to the Group's auditor and its associates for non-audit related services	-	10
Operating leases:		
- property	2,576	2,307
- sub-leased property income	(69)	(65)
- plant and machinery	45	54
Difference on exchange	(116)	(79)
Loss on sale of fixed assets	-	13
Share based payment expense	194	672
	<u> </u>	<u> </u>

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2016	2015
	£000	£000
Wages and salaries	9,241	9,423
Social security costs	1,411	1,405
Pension costs	190	172
	<u> </u>	<u> </u>
	<u>10,842</u>	<u>11,000</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016	2015
	No.	No.
Retail	233	223
Architecture and interior design	66	67
Other	7	9
	<u> </u>	<u> </u>
	<u>306</u>	<u>299</u>

CONRAN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

8. Directors' remuneration and key management personnel

	2016 £000	2015 £000
Aggregate remuneration in respect of qualifying services	469	581
Contributions to defined contribution pension schemes	21	25
	<u>490</u>	<u>606</u>

During the year retirement benefits were accruing to 2 directors (2015 - 2) in respect of defined contribution pension schemes

The highest paid director received remuneration of £245,000 (2015 - £297,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £12,000 (2015 - £8,000)

Key management personnel comprise the executive directors as well as members of the senior management board.

9. Interest receivable and similar income

	2016 £000	2015 £000
Bank interest receivable and similar income	<u>106</u>	<u>82</u>

10. Interest payable and similar charges

	2016 £000	2015 £000
Bank interest payable and similar charges	-	1
Other loan interest payable	94	100
Share of associates interest payable	5	5
Other interest payable	24	-
	<u>123</u>	<u>106</u>

CONRAN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

11. Taxation

	2016 £000	2015 £000
Corporation tax		
Current tax on loss for the year	122	180
Adjustments in respect of previous periods	-	2
Total current tax	<u>122</u>	<u>182</u>
Deferred tax		
Origination and reversal of timing differences	<u>9</u>	<u>25</u>
Taxation on loss on ordinary activities	<u>131</u>	<u>207</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - *higher than*) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below

	2016 £000	2015 £000
Loss on ordinary activities before tax	<u>(3,294)</u>	<u>(1,648)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	(659)	(346)
Effects of:		
Net permanent disallowables and non taxable income	39	277
Capital allowances for year in excess of depreciation	8	(27)
Utilisation of tax losses brought forward	(10)	(10)
Adjustments to tax charge in respect of prior periods	-	2
Unrelieved tax losses carried forward	744	286
Deferred tax movement	9	25
Total tax charge for the year	<u>131</u>	<u>207</u>

CONRAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

11. Taxation (continued)

Factors that may affect future tax charges

The changes to the main rate of corporation tax for UK companies announced in the 2016 Finance Bill were substantively enacted for financial reporting purposes on 24 March 2016, being a reduction in the UK corporation tax rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Accordingly, the relevant *deferred tax balances have been remeasured*.

The Group has unutilised UK tax losses of £5,912,000 (2015: £3,716,000) that are available indefinitely for offset against future taxable profits of those companies in which the losses arose.

There is a potential deferred tax asset of approximately £1,005,000 (2015: £743,000), which has not been recognised in the financial statements as these losses may not be used to offset taxable profits elsewhere in the Group, and due to the uncertainty concerning the timescale as to its recoverability.

In addition, the Group has tax losses of £7,070,000 (2015: £5,009,000) arising in France that are available indefinitely for offset against future taxable profits in The Conran Shop SAS. These losses have not been recognised as deferred tax assets due to the uncertainty concerning the timescale as to its recoverability.

12. Intangible assets

Group

	Goodwill £000
Cost	
At 1 April 2015	3,874
At 31 March 2016	<u>3,874</u>
Amortisation	
At 1 April 2015	3,874
At 31 March 2016	<u>3,874</u>
Net book value	
At 31 March 2016	<u><u>-</u></u>
At 31 March 2015	<u><u>-</u></u>

On transition to FRS 102, goodwill was fully amortised (see note 31).

CONRAN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

13. Tangible fixed assets

Group

	Land and leasehold property £000	Leasehold improvements £000	Fixtures, fittings and equipment £000	Total £000
Cost				
At 1 April 2015	6,464	2,338	6,328	15,130
Additions	-	-	877	877
Disposals	-	-	(173)	(173)
Exchange adjustments	-	16	290	306
At 31 March 2016	<u>6,464</u>	<u>2,354</u>	<u>7,322</u>	<u>16,140</u>
Depreciation				
At 1 April 2015	1,253	1,997	4,532	7,782
Charge for the year	66	77	748	891
Disposals	-	-	(172)	(172)
Exchange adjustments	-	16	243	259
At 31 March 2016	<u>1,319</u>	<u>2,090</u>	<u>5,351</u>	<u>8,760</u>
Net book value				
At 31 March 2016	<u>5,145</u>	<u>264</u>	<u>1,971</u>	<u>7,380</u>
At 31 March 2015	<u>5,211</u>	<u>341</u>	<u>1,796</u>	<u>7,348</u>

CONRAN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

Company

	Leasehold property £000	Leasehold improvements £000	Fixtures, fittings and equipment £000	Total £000
Cost				
At 1 April 2015	1,846	30	418	2,294
Additions	-	-	5	5
At 31 March 2016	1,846	30	423	2,299
Depreciation				
At 1 April 2015	337	5	395	737
Charge for the year	21	1	17	39
At 31 March 2016	358	6	412	776
Net book value				
At 31 March 2016	1,488	24	11	1,523
At 31 March 2015	1,509	25	23	1,557

CONRAN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

14. Fixed asset investments

Group

	<i>Investments in associates</i>	<i>Loans to associates</i>	<i>Total</i>
	£000	£000	£000
Cost			
At 1 April 2015	(271)	420	149
Share of profit	14	-	14
At 31 March 2016	<u>(257)</u>	<u>420</u>	<u>163</u>
Impairment			
At 1 April 2015	-	420	420
At 31 March 2016	<u>-</u>	<u>420</u>	<u>420</u>
Net book value			
At 31 March 2016	<u>(257)</u>	<u>-</u>	<u>(257)</u>
At 31 March 2015	<u>(271)</u>	<u>-</u>	<u>(271)</u>

17% of the share capital of Content by Terence Conran Limited, a company registered in England and Wales, is held directly by Conran Holdings Limited. The business of the associate is the wholesale of Content by Terence Conran-branded domestic furniture.

CONRAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

14. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company

Name	Country of incorporation	Class of shares	Holding	Principal activity
Conran Retail and Brand Holdings Limited **	England and Wales	Ordinary	100 %	Retail
The Conran Shop Limited	England and Wales	Ordinary	100* %	Retail
The Conran Shop SAS	France	Ordinary	100* %	Retail
Conran Licence Limited	England and Wales	Ordinary	100* %	Brand licensing
Conran Shop (Marylebone) Limited	England and Wales	Ordinary	100* %	Dormant
Conran Finance Limited	England and Wales	Ordinary	100 %	Finance
Conran Properties (Marylebone) Limited	England and Wales	Ordinary	100 %	Property
The Conran Card Company Limited	England and Wales	Ordinary	100 %	Dormant
Conran Limited	England and Wales	Ordinary	100 %	Group services
Conran Roche Limited	England and Wales	Ordinary	100 %	Holding company
Conran and Partners Limited	England and Wales	Ordinary	74* %	Architecture and design
Conran Brand Limited	England and Wales	Ordinary	100 %	Dormant

* held by subsidiary undertakings

** with effect from 22 April 2015, the company name was changed from Conran Shop Holdings Limited

Exemption from audit

The financial statements for the year ended 31 March 2016 have not been audited for certain fully owned subsidiaries as listed below. These subsidiaries have taken the exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

Subsidiaries	Company registration number
Conran Properties (Marylebone) Limited	03268233
Conran Roche Limited	02374858

CONRAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

14. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £000	Unlisted trade investments £000	Loans to associates £000	Total £000
Cost				
At 1 April 2015	28,013	1,013	420	29,446
At 31 March 2016	28,013	1,013	420	29,446
Impairment				
At 1 April 2015	678	1,013	420	2,111
At 31 March 2016	678	1,013	420	2,111
Net book value				
At 31 March 2016	27,335	-	-	27,335
At 31 March 2015	27,335	-	-	27,335

15. Stocks

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Goods for resale	5,251	6,129	-	-

There is no material difference between the balance sheet value of stocks and their replacement cost.

CONRAN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

16. Debtors

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Debtors: Amounts falling due after more than one year				
Amounts owed by group undertakings	-	-	2,319	2,524
Debtors: Amounts falling due within one year				
Trade debtors	2,416	2,231	-	-
Amounts owed by group undertakings	-	-	1	10
Amounts owed by joint ventures and associated undertakings	-	-	55	180
Other debtors	847	641	47	2
Prepayments and accrued income	997	1,140	13	21
Amounts recoverable on long term contracts	282	296	-	-
Tax recoverable	204	196	3	74
Deferred taxation	-	3	8	8
	<u>4,746</u>	<u>4,507</u>	<u>2,446</u>	<u>2,819</u>

17. Current asset investments

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Fixed term cash deposits	2,000	5,542	-	-
	<u>2,000</u>	<u>5,542</u>	<u>-</u>	<u>-</u>

Being cash held on fixed term deposits that mature within one year.

18. Cash and cash equivalents

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Cash at bank and in hand	4,932	3,766	319	185

In addition to cash and cash equivalents there is cash held on fixed term deposits that have been disclosed separately as these will mature after 3 months but within one year (see note 17)

CONRAN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

19. Creditors: Amounts falling due within one year

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Unsecured loan stock wholly payable within one year	250	250	250	250
Payments received on account	548	566	-	-
Trade creditors	5,002	6,263	51	33
Amounts owed to group undertakings	-	-	2	-
Other taxation and social security	1,865	1,441	-	3
Other creditors	781	425	-	-
Accruals and deferred income	4,930	2,929	87	191
	<u>13,376</u>	<u>11,874</u>	<u>390</u>	<u>477</u>

Other creditors includes a provision of £539,000 in respect of cash-settled share-based payments (2015: £Nil)

20. Creditors: Amounts falling due after more than one year

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Unsecured loan stock due after five years	1,779	1,935	1,779	1,935
Cash-settled share-based payment provision (note 22)	521	866	-	-
	<u>2,300</u>	<u>2,801</u>	<u>1,779</u>	<u>1,935</u>

CONRAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

21. Loans

From 1 April 2007, the repayment terms of the loan stock was amended to become repayable in six-monthly instalments of £125,000 each, in April and October, commencing April 2007 and continuing in that manner until October 2025, at which date the final instalment of the loan stock will be due. No interest is payable on the loan stock.

The loan stock bears no interest and therefore in accordance with FRS 102 has been valued at amortised cost

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Amounts falling due within one year				
Unsecured loan stock wholly payable within one year	250	250	250	250
	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>
Amounts not wholly payable within five years				
Repayable by instalments	1,779	1,935	1,779	1,935
	<u>1,779</u>	<u>1,935</u>	<u>1,779</u>	<u>1,935</u>

CONRAN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

22. Share based payments

Group

Shares have been acquired by three directors of the group's subsidiaries and accounted for as cash-settled share-based payments in accordance with FRS 102. Under the terms of the share agreements if the directors cease to be employed by the company in which they have acquired shares, they are required to give transfer notice and offer to sell all shares to the immediate parent of that company. The provisions reflect the exercise price of the shares based on a valuation formulae set out in the individuals share agreements and will vary in relation to past profits. One of the three directors does not have a share agreement.

The profit and loss charge recognised for share-based payments during the year is £194,000 (2015: £672,000)

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, shares during the year.

	2016	2016	2015	2015
	No	WAEP - £	No	WAEP - £
Outstanding as at 1 April	3,021	536	3,021	286
Change in fair value	-	(156)	-	250
Outstanding as at 31 March	3,021	380	3,021	536
Exercisable as at 31 March	3,021	142	3,021	136

The fair value of the cash-settled shares are measured at the grant date using the Black-Scholes option pricing model taking into account the terms and conditions set out in the individual share agreements. The provisions are recognised over the expected vesting period. Until the directors cease to be employed with the relevant company, the provision is remeasured at each reporting date with changes in fair value recognised in profit or loss.

The carrying amount of the provision at year end is £1,060,000 (2015: £866,000) and represents the maximum liability in accordance with valuation formulae set out in the share agreements. No shares had vested during the year (2015: Nil)

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Financial instruments

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Financial assets				
Financial assets that are debt instruments measured at amortised cost	5,263	8,414	2,422	2,716
Financial liabilities				
Financial liabilities measured at amortised cost	(12,203)	(11,802)	(2,169)	(2,409)

Financial assets measured at amortised cost comprise current asset investments being cash held on deposits, trade debtors, other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise loan stock, trade creditors, other creditors (excluding cash-settled share based payment provisions), accruals, deferred income and amounts owed to group undertakings.

24. Deferred taxation

Group

**Deferred tax
£000**

At 1 April 2015	3
Charged to the profit or loss	(9)
At 31 March 2016	(6)

Company

**Deferred tax
£000**

At 1 April 2015	8
At 31 March 2016	8

The deferred taxation balance is made up as follows:

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Accelerated capital allowances	(6)	3	8	8

CONRAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

25. Provisions

Group

	Retirement indemnity provision £000	Conran Shop SAS warehouse £000	Product recall provision £000	Total £000
At 1 April 2015	224	35	44	303
Charged to the profit or loss	(52)	-	3	(49)
Utilised in year	-	20	-	20
At 31 March 2016	172	55	47	274

All provisions relate to the French subsidiary, Conran Shop SAS. The retirement indemnity provision relates to a statutory payment required when an employee retires whilst in the services of the company. Also included in provisions are warehouse costs and product rectification costs

26. Share capital

	2016 £000	2015 £000
Allotted, called up and fully paid		
11,001 'A' ordinary shares of £1 each	11	11
5,260 'B' ordinary shares of £1 each	5	5
	16	16

The 'A' ordinary shares take priority in the event of a distribution of the assets of the company to the shareholders in a return of capital or liquidation or similar distribution. Other than in this event, the 'A' and 'B' shares rank pari passu in all respects.

On 1 December 2014, 1,254 'B' ordinary shares with an aggregate nominal value of £1,254 were purchased by the company and subsequently cancelled. The 'B' ordinary shares were acquired for a consideration of £1,254 in accordance with the company's Articles of Association.

CONRAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

27. Reserves

Share premium

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Merger reserve

Includes consideration received in excess of the nominal value of the shares issued on acquisition in accordance with merger relief offered by Section 612 of the Companies Act 2006.

Capital redemption reserve

Includes the nominal value on purchase of own shares transferred from called up share capital

Profit and loss account

Includes all current and prior year retained profits and losses

28. Contingent liabilities

The Company, together with certain subsidiary undertakings is party to a limited inter-company Composite Accounting Scheme ("CAS") guarantee dated 6 February 2007 to Barclays Bank Plc and renewed on 22 July 2015 as security for a Group overdraft arrangement between the Company and its subsidiary undertakings. As at the balance sheet date, the net overdraft under the guarantee was £Nil (2015: £Nil).

29. Pension commitments

The Group operates a defined contribution pension scheme for employees of The Conran Shop group in the UK. The pension cost charge for the year relating to this scheme was £75,000 (2015: £75,000). There were no contributions outstanding at the balance sheet date (2015: £Nil).

In France, the group operates a mandatory provision for the national pension system. Pursuant to applicable French law and industry labour agreements, a lump-sum payment is made to employees upon retirement ('Indemnités de fin de carrière' or IFC). The amount depends on the length of service on the date the employee reaches retirement age. A provision has been made in the accounts under note 25

Other Group undertakings do not operate company pension schemes, but make contributions to the private pension schemes of employees.

CONRAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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30. Commitments under operating leases

At 31 March 2016 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2016 £000	Group 2015 £000
Not later than 1 year	47	35
Later than 1 year and not later than 5 years	4,597	5,790
Later than 5 years	7,229	8,576
Total	11,873	14,401

CONRAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

31. Related party transactions

The ultimate controlling party is Sir Terence Conran, as a result of him controlling, directly or indirectly, 68% of the issued share capital of the company.

The group made charges in the amount of £6,000 (2015: £72,000) to Content by Terence Conran Limited, a company in which Sir Terence Conran and the group each has a beneficial interest. During the year, the group purchased furniture and equipment from Content by Terence Conran Limited in the amount of £108,000 (2015: £170,000). Amounts payable as at the year end amounted to £25,000 (2015: £3,000).

During the year, the group made sales of £1,000 (2015: £7,000) to Prescott and Conran Ltd, a company in which Sir Terence Conran and Lady Conran, each has a beneficial interest. Amounts receivable as at the year end amounted to £1,000 (2015: £NIL).

Lady Conran was the owner of £2,550,000 of unsecured loan stock as at 31 March 2016 and receives annual repayments from the company of £250,000.

The group made purchases of £230,000 (2015: £294,000) from J C Retail Limited, a company in which Jasper Conran has a beneficial interest. Amounts payable as at the year end amounted to £NIL (2015: £29,000).

During the year, Michelin House Investment Company Limited, a company in which Sir Terence Conran has a beneficial interest, charged £1,247,000 (2015: £1,088,000) in respect of rent, insurance and service-related charges. Amounts payable as at the year end amounted to £323,000 (2015: £349,000).

During the year, the group purchased furniture and equipment from Benchmark Woodworking Ltd, a company controlled by Sir Terence Conran, in the amount of £24,000 (2015: £45,000). Amounts payable as at the year end amounted to £17,000 (2015: £NIL).

The group made rental charges, recharges, central management and design fees of £473,000 (2015: £639,000) and made purchases and incurred recharges of £175,000 (2015: £185,000) from Conran and Partners Limited, a fellow subsidiary of the parent undertaking, Conran Holdings Limited, which is not wholly owned by the group. In the prior year, the group sold 1,778 ordinary shares to Conran and Partners Limited, which were subsequently cancelled for £385,000. In addition, during the year the group repaid a loan of £1,530,000 and paid interest of £28,000 (2015: £34,000). Net amounts payable as at the year end amounted to £7,000 (2015: £545,000).

There were no other material related-party transactions

CONRAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

32. First time adoption of FRS 102

Group

	Note	As previously stated 1 April 2014 £000	Effect of transition 1 April 2014 £000	FRS 102 (as restated) 1 April 2014 £000	As previously stated 31 March 2015 £000	Effect of transition 31 March 2015 £000	FRS 102 (as restated) 31 March 2015 £000
Fixed assets	1	8,897	(1,386)	7,511	8,269	(1,192)	7,077
Current assets		19,897	-	19,897	19,944	-	19,944
Creditors, amounts falling due within one year		(10,981)	-	(10,981)	(11,874)	-	(11,874)
Net current assets		8,916	-	8,916	8,070	-	8,070
Total assets less current liabilities		17,813	(1,386)	16,427	16,339	(1,192)	15,147
Creditors: amounts falling due after more than one year	2,3	(2,800)	521	(2,279)	(2,550)	(251)	(2,801)
Provisions for liabilities		(207)	-	(207)	(303)	-	(303)
Net assets		14,806	(865)	13,941	13,486	(1,443)	12,043
Capital and reserves		14,806	(865)	13,941	13,486	(1,443)	12,043

CONRAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

32. First time adoption of FRS 102 (continued)

	Note	As previously stated 31 March 2015 £000	Effect of transition 31 March 2015 £000	FRS 102 (as restated) 31 March 2015 £000
Turnover		37,722	-	37,722
Cost of sales		(34,673)	-	(34,673)
		<u>3,049</u>	<u>-</u>	<u>3,049</u>
Administrative expenses	1,3	(3,436)	(478)	(3,914)
Share of operating profit in associates		8	-	8
		<u>(379)</u>	<u>(478)</u>	<u>(857)</u>
Operating loss		(379)	(478)	(857)
Exceptional items		(767)	-	(767)
Interest receivable and similar income		82	-	82
Interest payable and similar charges	2	(6)	(100)	(106)
Taxation		(207)	-	(207)
		<u>(1,277)</u>	<u>(578)</u>	<u>(1,855)</u>
Loss on ordinary activities after taxation and for the financial year		<u>(1,277)</u>	<u>(578)</u>	<u>(1,855)</u>

Explanation of changes to previously reported profit and equity:

- FRS 102 requires goodwill to be amortised over a finite useful life and that life shall not exceed 10 years if an entity is unable to make a reliable estimate. Under previous UK GAAP the presumption was that goodwill had a useful life of no longer than 20 years. The effect of this has been to reduce intangible fixed asset and profit and loss reserve as at 1 April 2014 and 31 March 2015, respectively. The change has decreased reported loss for the year ended 31 March 2015.
- FRS 102 requires interest free loans to be measured at amortised cost with the initial difference to cost value to be recognised in the profit and loss as a gain and subsequent artificial interest to be charged to the profit and loss. Under previous UK GAAP such loans were valued at cost. The effect of this has been to reduce creditor amounts fall due after more than one year and increase profit and loss reserve as at 1 April 2014 and 31 March 2015, respectively. The change has increased reported loss for the year ended 31 March 2015.
- Under FRS 102, the group is required to recognise the provision for cash-settled share-based payment transactions at fair value at grant date. Until the provision is settled, the group is required to re-measures the fair value of the provision at each reporting date and at the date of settlement, with any changes in fair value recognised in profit and loss for the year. The effect of this has been to increase creditor amounts falling after more than one year and decrease profit and loss reserve as at 1 April 2014 and 31 March 2015, respectively. The change has increased the reported loss for the year ended 31 March 2015.

CONRAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

32. First time adoption of FRS 102 (continued)

Company

	Note	As previously stated 1 April 2014 £000	Effect of transition 1 April 2014 £000	FRS 102 (as restated) 1 April 2014 £000	As previously stated 31 March 2015 £000	Effect of transition 31 March 2015 £000	FRS 102 (as restated) 31 March 2015 £000
Fixed assets		18,352	-	18,352	28,892	-	28,892
Current assets		14,020	-	14,020	3,004	-	3,004
Creditors: amounts falling due within one year		(472)	-	(472)	(477)	-	(477)
Net current assets		13,548	-	13,548	2,527	-	2,527
Total assets less current liabilities		31,900	-	31,900	31,419	-	31,419
Creditors: amounts falling due after more than one year	1	(2,800)	715	(2,085)	(2,550)	615	(1,935)
Net assets		29,100	715	29,815	28,869	615	29,484
Capital and reserves		29,100	715	29,815	28,869	615	29,484

CONRAN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

32. First time adoption of FRS 102 (continued)

		<i>As previously stated 31 March 2015 £000</i>	<i>Effect of transition 31 March 2015 £000</i>	FRS 102 (as restated) 31 March 2015 £000
	Note			
Turnover		572	-	572
Administrative expenses		(760)	-	(760)
Operating profit		(188)	-	(188)
Income from shares in group undertakings		140	-	140
Associate investment - loan impairment		(310)	-	(310)
Interest receivable and similar income		127	-	127
Interest payable and similar charges	1	-	(100)	(100)
Taxation		2	-	2
Loss on ordinary activities after taxation and for the financial year		(229)	(100)	(329)

Explanation of changes to previously reported profit and equity

1 FRS 102 requires interest free loans to be measured at amortised cost with the initial difference to cost value to be recognised in the profit and loss as a gain and subsequent artificial interest to be charged to the profit and loss. Under previous UK GAAP such loans were valued at cost. The effect of this has been to reduce creditor amounts fall due after more than one year and increase profit and loss reserve as at 1 April 2014 and 31 March 2015, respectively. The change has increased reported loss for the year ended 31 March 2015.