

Company Registration No. 03142746 (England and Wales)

A.S.H.S. LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 DECEMBER 2019



Richard Luckin

A.S.H.S. LIMITED

COMPANY INFORMATION

Directors	MW Hindmarch	
	E Lax Banon	(Appointed 25 March 2019)
	J Marandi	(Appointed 25 March 2019)
	N Marandi	(Appointed 25 March 2019)
	AS Seymour	
	HJ Seymour	(Appointed 25 March 2019)

Secretary	HJ Seymour
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Company number	03142746
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Registered office	The Stable Block, The Plough Brewery 516 Wandsworth Road London SW8 3JX
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Auditor	Rickard Luckin Limited Aquila House Waterloo Lane Chelmsford Essex CM1 1BN
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A.S.H.S. LIMITED

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A.S.H.S. LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 28 DECEMBER 2019

The directors present the strategic report together with the audited financial statements for the period ended 28 December 2019.

Business Review

A.S.H.S. Limited operates worldwide under the trading name Anya Hindmarch. Founded in 1987 by Ms Anya Hindmarch, who was re-appointed Managing Director on 1 May 2019, the group today is a global luxury brand with a distinctive London identity and a reputation for innovation, craftsmanship and humour. Its principal activity remains the design, production and sale of luxury handbags and accessories. The group is headquartered in London.

The group's products are sold through its network of Anya Hindmarch branded stores and concessions in the UK, Japan and Hong Kong in addition to operating its own website. In addition to these stores, the group sells its products to a carefully selected network of wholesale, specialty stores and e-commerce customers present in key luxury markets around the world as well as through direct to consumer pop ups.

Highlights

2019 was the year that Anya Hindmarch in partnership with the Marandi family bought the business back. The business continued to pursue a strategy to shift from traditional bricks and mortar distribution channels to a more digital, direct to consumer model. In light of the fast-moving retail environment and changing patterns of consumer behaviour, the group has continued to undertake a series of actions to reset its business model and to enable it to take advantage of these changes. In addition, the group continues to reinforce operational rigor across the business, capitalising on changing trends to improve efficiencies.

Although the group remains focused on continuing to deliver an outstanding in-store experience in prime locations, it closed a number of stores and concessions in 2019, whilst continuing to invest in digital and direct to consumer campaigns. During the year, the group closed its locations on Madison Avenue, New York, its outlet stores in Bicester and Kildare, and 10 concessions/stores in Japan.

The group retains 5 directly operated stores in prime locations across the UK and Asia and through digital, "pop-up" stores and retail partnerships.

Creatively, the brand has continued to deliver strong campaigns and this continued into 2019 with the successful 'Weave Project' – an immersive four-day installation during London Fashion Week 2019. These direct to consumer campaigns further demonstrate the group's creativity and ability to engage with its core customers.

Financial Overview

- Sales at £19.8m (2018: £24.7m)
- Retail like for like sales up 7%
- Digital like for like sales up 24%
- Gross profit at £10.3m (2018: £14.1m)
- EBITDA* loss of £8.2m (2018: £9.6m)

*Earnings before interest, tax, depreciation, amortisation, foreign exchange and exceptional items.

Creative Overview

In February 2019, to celebrate London Fashion Week and the launch of the Spring/Summer 2019 Neeson collection, the company created the Weave Project. This four-day public event centred around an immersive art installation together with café, concept store and weave workshops. Over 4,000 people attended. The event was followed by a series of global pop ups focusing on the Neeson and weaving.

A.S.H.S. LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 28 DECEMBER 2019

Principle Risks and Uncertainties

The operation of the group's business is subject to a number of risks which could adversely affect the group's future development. The principle risks and uncertainties are presented below:

Coronavirus (COVID-19) assessment

The impact on the group arising from the recent COVID-19 outbreak has been considered by the Directors. The Company's sites and operations have all been risk assessed and appropriate safety systems and measures have been put in place to ensure the continued safety of both our staff and customers during this time. The Company has been impacted by the COVID-19 outbreak and the ensuing lock downs, during which the company closed its stores and head office. It has taken advantage of government schemes where appropriate, including the furlough scheme and the business rates holiday. It is in continuing negotiations with its landlords to reduce the burden of property costs. The Directors continue to monitor the situation very closely.

Marketplace

The luxury accessories business is highly competitive and presents a number of operational risks characteristic of this sector. It is also a marketplace that is undergoing considerable and far-reaching changes, many of which have been exacerbated by the COVID-19 outbreak

The group seeks to stand out in this environment by offering a highly distinctive range of products at attractive luxury price points, aiming to build iconic families of bags and other accessories that are readily recognizable as being from Anya Hindmarch, as well as offering a highly differentiating personalisation service.

Credit risk

The principal credit risk for the group arises from its trade debtors. In order to manage this risk, the group performs credit checks on all customers and subsequently sets appropriate credit limits. The directors also seek to secure export insurance for substantially all of the group's trade clients

Third party production risk

The group produces its products through a network of third-party suppliers whose performance in terms of quality, compliance with local laws and regulations and adherence to delivery deadlines is important to ensure the timely availability of stock in stores, online and for delivery to wholesale customers. The group is in regular contact with suppliers to monitor adherence to the terms of supply.

Liquidity risk

The directors seek to manage liquidity risk by ensuring sufficient liquidity is available to meet foreseeable seasonal operational needs. The group monitors budgets and cash flow forecasts on a weekly basis and works closely with its shareholders to ensure that the group has the appropriate resources available to fund all working capital cycles.

A.S.H.S. LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 28 DECEMBER 2019

Foreign exchange risk

The group is exposed to both translational and transactional foreign exchange. The group purchases product in both US Dollars and Euros. In order to mitigate the exchange risk and add certainty to cash flows, the group takes out forward contracts in US Dollars and Euros on a percentage of its purchases. Since the acquisition of the Japan franchise in 2014, the group is also exposed to translational risk on movements between JPY/GBP exchange rates. The exposure is managed by the parent company by pricing sales to the Japanese subsidiary in Yen and converting Yen balances into sterling.

Environmental issues

The group is committed to the promotion of environmental initiatives and minimising the environmental impact of its business. Our industry is energy intensive and to satisfy the requirements of our customers requires a high level of transport usage. Through focusing on creating an efficient and sustainable business the group is taking steps to reduce its on-going carbon footprint. The group's objective is to recycle as much of its waste as possible.

Social responsibility

The group does not make any political contributions but is active in the communities in which it is based and supports charitable causes in the industry which it serves.

Employment of disabled persons

The group is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retraining of employees who become disabled whilst employed by the company. Particular attention is given to the training, career development and promotion of disabled employees with a view to encouraging them to play an active role in the development of the group.

Employee involvement

The flow of information to staff has been maintained by our company meetings. Members of the management team regularly visit stores and discuss matters of current interest and concern to the business with members of staff.

Brexit

While there is still uncertainty surrounding the final terms under which the United Kingdom (U.K.) will leave the European Union, it is probable that there will be increased legal and regulatory complexities which the group will need to manage. These complexities have the potential to cause disruption and uncertainty in the group's relationships with suppliers, customers and employees with the resulting adverse impact on the business and results.

Going Concern

The directors have prepared cash flow forecasts based on their present plans, expectations and intentions. Based on these forecast cash flows, the directors are satisfied that the group is able to meet their liabilities as and when they fall due and for a minimum period of twelve months from the date of these financial statements. Accordingly, these financial statements have been prepared on a going concern basis.

A.S.H.S. LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 28 DECEMBER 2019

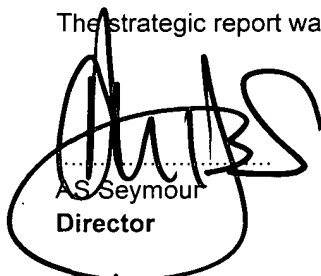
Post Balance Sheet Events

On 24 December 2019, Anya Seymour acquired 50% of the issued share capital and 100% of the preference share capital through the purchase of a mixture of shares, preference shares, performance shares and growth shares. Further shares were issued and purchased by other members of the management team on 23 June 2020.

On 23 June 2020, Mr Javad Marandi converted his non interest-bearing loan into preference shares.

Approval

The strategic report was approved on behalf of the board



AS Seymour
Director

1/12/2020

A.S.H.S. LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 28 DECEMBER 2019

The directors present their annual report and financial statements for the period ended 28 December 2019.

Principal activities

The principal activity of the company and the group continued to be that of the design, production and sale of luxury handbags and accessories.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

MW Hindmarch	
E Lax Banon	(Appointed 25 March 2019)
J Marandi	(Appointed 25 March 2019)
N Marandi	(Appointed 25 March 2019)
AS Seymour	
HJ Seymour	(Appointed 25 March 2019)
A Bejui	(Resigned 25 March 2019)
B Gault	(Resigned 25 March 2019)
M Ragy	(Resigned 25 March 2019)

Results and dividends

The results for the period are set out on page 10.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

No preference dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

Rickard Luckin Limited were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 group and company, 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 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

A.S.H.S. LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 28 DECEMBER 2019

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

Matters covered in the strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of results for the year, principal risks and uncertainties, corporate and social responsibility and going concern.

On behalf of the board



AS Seymour
Director

Date: 1/12/2020

A.S.H.S. LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A.S.H.S. LIMITED

Opinion

We have audited the financial statements of A.S.H.S. Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 28 December 2019 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 28 December 2019 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

A.S.H.S. LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF A.S.H.S. LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

A.S.H.S. LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF A.S.H.S. LIMITED

Use of our report

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.

Amit Popat (Senior Statutory Auditor)
for and on behalf of Rickard Luckin Limited

14 December 2020

Chartered Accountants
Statutory Auditor

Aquila House
Waterloo Lane
Chelmsford
Essex
CM1 1BN

A.S.H.S. LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 28 DECEMBER 2019

		Period ended 28 December 2019 £000	Period ended 29 December 2018 £000
	Notes		
Turnover	3	19,849	24,661
Cost of sales		(9,593)	(10,528)
Gross profit		10,256	14,133
Administrative expenses		(19,008)	(24,941)
Other operating income		6	53
Exceptional item	4	(4,170)	(1,727)
Operating loss	6	(12,916)	(12,482)
Interest receivable and similar income	9	67	163
Interest payable and similar expenses	10	(127)	(236)
Loss before taxation		(12,976)	(12,555)
Tax on loss	11	197	11
Loss for the financial period		(12,779)	(12,544)
Other comprehensive income			
Currency translation differences		14	46
Total comprehensive income for the period		(12,765)	(12,498)

Operating loss is analysed as:

EBITDA*	(8,154)	(9,560)
Exceptional items	(4,170)	(1,727)
Foreign exchange gains/(losses)	(51)	181
Depreciation and impairment	(486)	(1,334)
Amortisation	(46)	(30)
Loss on disposal of fixed assets	(9)	(12)
Operating loss	(12,916)	(12,482)

* (Earnings before interest, tax, depreciation, amortisation, foreign exchange and exceptional items)

Loss for the financial period is all attributable to the owners of the parent company.

Total comprehensive income for the period is all attributable to the owners of the parent company.

A.S.H.S. LIMITED

GROUP BALANCE SHEET

AS AT 28 DECEMBER 2019

	Notes	2019 £000	2018 £000
Fixed assets			
Intangible assets	12	74	94
Tangible assets	13	320	935
		394	1,029
Current assets			
Stocks	17	2,451	7,103
Debtors	18	2,491	3,599
Cash at bank and in hand		7,301	11,884
		12,243	22,586
Creditors: amounts falling due within one year	19	(9,278)	(6,765)
Net current assets		2,965	15,821
Total assets less current liabilities		3,359	16,850
Provisions for liabilities	21	(1,258)	(1,984)
Net assets		2,101	14,866
Capital and reserves			
Called up share capital	23	1	1,055
Share premium account		74,321	74,321
Capital redemption reserve		1,075	21
Profit and loss reserves		(73,296)	(60,531)
Total equity		2,101	14,866

The financial statements were approved by the board of directors and authorised for issue on ...1/12/2020
and are signed on its behalf by:

AS Seymour
Director

A.S.H.S. LIMITED

COMPANY BALANCE SHEET

AS AT 28 DECEMBER 2019

	Notes	2019 £000	2018 £000
Fixed assets			
Intangible assets	12	74	94
Tangible assets	13	306	739
		<u>380</u>	<u>833</u>
Current assets			
Stocks	17	1,255	4,755
Debtors	18	1,663	1,768
Cash at bank and in hand		6,386	10,682
		<u>9,304</u>	<u>17,205</u>
Creditors: amounts falling due within one year	19	<u>(8,844)</u>	<u>(5,628)</u>
Net current assets		460	11,577
Total assets less current liabilities		840	12,410
Provisions for liabilities	21	<u>(1,167)</u>	<u>-</u>
Net (liabilities)/assets		<u><u>(327)</u></u>	<u><u>12,410</u></u>
Capital and reserves			
Called up share capital	23	1	1,055
Share premium account		74,321	74,321
Capital redemption reserve		1,075	21
Profit and loss reserves		<u>(75,724)</u>	<u>(62,987)</u>
Total equity		<u><u>(327)</u></u>	<u><u>12,410</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the period was £12,737,000 (2018: £14,113,000)

The financial statements were approved by the board of directors and authorised for issue on 1/12/2020 and are signed on its behalf by:

AS Seymour
Director

Company Registration No. 03142746

A.S.H.S. LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 28 DECEMBER 2019

	Notes	Share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss reserves £000	Total £000
Balance at 30 December 2017		211	55,164	21	(48,033)	7,363
Period ended 29 December 2018:						
Loss for the period		-	-	-	(12,544)	(12,544)
Other comprehensive income:						
Currency translation differences		-	-	-	46	46
Total comprehensive income for the period		-	-	-	(12,498)	(12,498)
Issue of share capital	23	844	19,157	-	-	20,001
Balance at 29 December 2018		1,055	74,321	21	(60,531)	14,866
Period ended 28 December 2019:						
Loss for the period		-	-	-	(12,779)	(12,779)
Other comprehensive income:						
Currency translation differences		-	-	-	14	14
Total comprehensive income for the period		-	-	-	(12,765)	(12,765)
Reduction and redesignation of shares	23	(2,109)	-	1,054	-	(1,055)
Redesignation of shares		1,055	-	-	-	1,055
Balance at 28 December 2019		1	74,321	1,075	(73,296)	2,101

A.S.H.S. LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 28 DECEMBER 2019

	Notes	Share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss reserves £000	Total £000
Balance at 30 December 2017		211	55,164	21	(48,874)	6,522
Period ended 29 December 2018:						
Loss and total comprehensive income for the period		-	-	-	(14,113)	(14,113)
Issue of share capital	23	844	19,157	-	-	20,001
Balance at 29 December 2018		1,055	74,321	21	(62,987)	12,410
Period ended 28 December 2019:						
Loss and total comprehensive income for the period		-	-	-	(12,737)	(12,737)
Reduction and redesignation of shares	23	(2,109)	-	1,054	-	(1,055)
Redesignation of shares		1,055	-	-	-	1,055
Balance at 28 December 2019		1	74,321	1,075	(75,724)	(327)

A.S.H.S. LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 28 DECEMBER 2019

	Notes	2019 £000	2018 £000
Cash flows from operating activities			
Cash absorbed by operations	29	(9,185)	(9,515)
Interest paid		(10)	(236)
Income taxes refunded/(paid)		191	(33)
Net cash outflow from operating activities		<u>(9,004)</u>	<u>(9,784)</u>
Investing activities			
Purchase of intangible assets		(26)	(60)
Purchase of tangible fixed assets		(192)	(234)
Proceeds on disposal of tangible fixed assets		3	-
Interest received		67	163
Net cash used in investing activities		<u>(148)</u>	<u>(131)</u>
Financing activities			
Proceeds from issue of shares		-	10,364
New borrowings		5,000	15,350
Repayment of bank loans		(445)	(7,064)
Net cash generated from financing activities		<u>4,555</u>	<u>18,650</u>
Net (decrease)/increase in cash and cash equivalents		<u>(4,597)</u>	<u>8,735</u>
Cash and cash equivalents at beginning of period		11,884	3,117
Effect of foreign exchange rates		14	32
Cash and cash equivalents at end of period		<u><u>7,301</u></u>	<u><u>11,884</u></u>

A.S.H.S. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 28 DECEMBER 2019

1 Accounting policies

Company information

A.S.H.S. Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is The Stable Block, The Plough Brewery, 516 Wandsworth Road, London, SW8 3JX.

The group consists of A.S.H.S. Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the company prepares publicly available consolidated financial statements, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of A.S.H.S. Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 28 December 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

A.S.H.S. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 DECEMBER 2019

1 Accounting policies

(Continued)

1.3 Going concern

The group and parent company made a loss for the period. The Group made a loss of £12.8m, the parent company made a loss of £12.7m and had net liabilities of £327k. In addition to this, the group has been affected by the impact of COVID-19 after the period end.

Mr Javad Marandi, the shareholder, has invested £5m into the group during the period and this has since been converted to share capital after the period end, see note 26. The directors have received a letter from Mr Javad Marandi providing his commitment to support the group for at least a period of twelve months from the date these financial statements are signed.

In addition to this, the directors have taken appropriate measures to minimise the impact of the COVID-19 pandemic on the group, preparing cashflow forecasts, taking advantage of government grants that are available and having a strategic plan in place.

Based on these cashflow forecasts and with the support of the shareholder, the directors are satisfied that the company is able to meet its liabilities as and when they fall due, for at least the next twelve months from the date of signing these financial statements and therefore the directors consider that it is appropriate to prepare these financial statements on the going concern basis.

1.4 Reporting period

The company has taken advantage of the Companies Act provisions that permit the company to prepare financial statements within 7 days of its accounting reference date of 31 December.

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

A provision is made for expected wholesale returns based on previous experience and commercialized terms in place.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

Property leases acquired have been separated from goodwill. They are recognised at fair value and amortised over the lengths of the leases.

A.S.H.S. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 DECEMBER 2019

1 Accounting policies

(Continued)

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Acquired leases	Over the length of the leases
Other intangibles	Over 3 years

1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Straight line over the life of the lease
Fixtures and fittings	25% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.9 Fixed asset investments

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

A.S.H.S. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 DECEMBER 2019

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Dilapidation costs are capitalised and amortised over the length of the lease.

1.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.12 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.13 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

A.S.H.S. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 DECEMBER 2019

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

A.S.H.S. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 DECEMBER 2019

1 Accounting policies

(Continued)

1.14 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.15 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.16 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.17 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

A.S.H.S. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 DECEMBER 2019

1 Accounting policies

(Continued)

1.18 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.19 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.20 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.21 Exceptional items

Income and expenses classified as exceptional are shown separately on the face of the profit and loss account. Income and expenses are treated as exceptional in nature if they are significant one off income or expenses and are not expected to reoccur.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

A.S.H.S. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 DECEMBER 2019

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Impairment of fixed assets

The group has made a loss for the period which may be an indication that fixed assets are impaired. The directors have concluded that no impairment provision is necessary after reviewing the expected future performance of these assets, or groups of assets for a larger cash generating unit.

Stock provisions

The directors have made provisions against raw material and finished goods where they estimate the recoverable value of stock is lower than the cost, based on age and seasonality, condition and location of stock.

Provisions

The directors have reviewed the leases that the group has entered into and have made appropriate provisions for onerous leases where the cost of the leases exceed any expected future benefit to be gained from these leases.

In addition to this, the directors have made a provision for dilapidations based on their experience from previous store closures.

The directors have also made appropriate provisions for sales returns after the period end relating to this period, based on experience and actual returns received.

3 Turnover and other revenue

	2019 £000	2018 £000
Other significant revenue		
Interest income	67	163
Royalty income	6	53
	<u> </u>	<u> </u>
	2019 £000	2018 £000
Turnover analysed by geographical market		
UK	10,097	7,177
Europe	551	2,350
Japan	7,107	8,654
Rest of World	2,094	6,480
	<u> </u>	<u> </u>
	19,849	24,661
	<u> </u>	<u> </u>

The directors have chosen not to disclose particulars of turnover in accordance with part 5 of I schedule 68 of statutory instrument 2018 No 410 of the Companies Act.

A.S.H.S. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 DECEMBER 2019

4 Exceptional item

	2019 £000	2018 £000
Expenditure		
Onerous lease provisions and store closure costs	1,331	632
Legal and professional fees in relation to the restructure	936	602
Exceptional payroll costs	1,903	482
Other costs	-	11
	<u>4,170</u>	<u>1,727</u>

During the current period, a strategic review was undertaken and further store closures were made. In addition to this, onerous leases have been provided for. These costs have been treated as exceptional costs. In addition to this, one off bonuses were paid for to directors and former directors as a result of the change in ownership of the group. These costs have been treated as exceptional.

During the prior period, decisions were made to rationalise the store portfolio, and provisions were made against store leases in Japan and UK. Head office staff levels were reduced in both UK and Japan, and legal and professional fees were incurred in relation to a one off strategic review.

5 Discontinued operations

During the period A.S.H.S. USA Limited, a subsidiary company, ceased to trade and is therefore a discontinued operation.

The results included within the group consolidated statement of comprehensive income in respect of A.S.H.S. USA Limited is as follows:

	2019 £000	2018 £000
Turnover	12	895
Cost of sales	<u>(7)</u>	<u>(214)</u>
Gross profit	5	681
Administrative expenses	(79)	(1,122)
Exceptional costs	<u>(17)</u>	<u>113</u>
Tax on loss	<u>(2)</u>	<u>2</u>
Loss for the financial period	<u>(93)</u>	<u>(326)</u>

A.S.H.S. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 DECEMBER 2019

6 Operating loss

	2019 £000	2018 £000
Operating loss for the period is stated after charging/(crediting):		
Exchange losses/(gains)	51	(181)
Depreciation of owned tangible fixed assets	486	897
Impairment of owned tangible fixed assets	-	437
Loss on disposal of tangible fixed assets	318	12
Amortisation of intangible assets	46	30
Cost of stocks recognised as an expense	9,080	10,127
Auditors remuneration current year	71	88
Auditors remuneration prior year	8	59
Operating lease charges	2,252	3,620
	<u> </u>	<u> </u>

7 Employees

The average monthly number of persons (including directors) employed by the group and company during the period was:

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Administration	68	81	62	71
Sales and distribution	78	116	43	54
Total	<u>146</u>	<u>197</u>	<u>105</u>	<u>125</u>

Their aggregate remuneration comprised:

	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
Wages and salaries	7,845	8,787	6,052	5,671
Social security costs	358	613	348	553
Pension costs	138	175	136	161
	<u>8,341</u>	<u>9,575</u>	<u>6,536</u>	<u>6,385</u>
Redundancy payments made or committed	<u>255</u>	<u>160</u>	<u>235</u>	<u>160</u>

Wages and salary costs during the current period for the company and group include £1,686,000 which relate to exceptional payroll costs.

Redundancy payments in the period include £255,000, these amounts are included within exceptional items. In the prior period £160,000 was paid for loss of office of directors.

A.S.H.S. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 DECEMBER 2019

8 Directors' remuneration

	2019 £000	2018 £000
Remuneration for qualifying services	1,661	683
Company pension contributions to defined contribution schemes	13	25
Compensation for loss of office	-	160
	<u>1,674</u>	<u>868</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2018 - 4).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2019 £000	2018 £000
Remuneration for qualifying services	785	223
Company pension contributions to defined contribution schemes	-	9
	<u>-</u>	<u>-</u>

9 Interest receivable and similar income

	2019 £000	2018 £000
Interest income		
Interest on bank deposits	67	163
	<u>67</u>	<u>163</u>

10 Interest payable and similar expenses

	2019 £000	2018 £000
Finance costs for financial instruments measured at fair value through profit or loss	117	-
Bank interest	10	97
Shareholder loan interest	-	129
Invoice discounting facilities	-	10
	<u>127</u>	<u>236</u>

A.S.H.S. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 DECEMBER 2019

11 Taxation

	2019 £000	2018 £000
Current tax		
Adjustments in respect of prior periods	-	(21)
Group tax relief	(207)	-
	<u>(207)</u>	<u>(21)</u>
Total UK current tax	(207)	(21)
Foreign current tax on profits for the current period	10	10
	<u>10</u>	<u>10</u>
Total current tax	<u>(197)</u>	<u>(11)</u>

The actual credit for the period can be reconciled to the expected credit for the period based on the profit or loss and the standard rate of tax as follows:

	2019 £000	2018 £000
Loss before taxation	(12,976)	(12,555)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(2,465)	(2,385)
Tax effect of expenses that are not deductible in determining taxable profit	337	(492)
Change in unrecognised deferred tax assets	2,012	2,441
Effect of change in corporation tax rate	107	384
Group relief	(207)	-
Permanent capital allowances in excess of depreciation	-	38
Depreciation on assets not qualifying for tax allowances	8	-
Effect of overseas tax rates	11	2
Other differences	-	1
	<u>(197)</u>	<u>(11)</u>
Taxation credit	(197)	(11)

The group has estimated tax losses of £72.0m (2018: £58.7m) available to carry forward against future profits.

The group has a deferred tax asset which it has not provided in the accounts amounting to £14.0m (2018: £17.9m). It is not certain that the timing difference will reverse and for this reason no provision has been made for the deferred tax asset.

A.S.H.S. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 DECEMBER 2019

12 Intangible fixed assets

Group	Goodwill	Acquired leases	Other intangibles	Total
	£000	£000	£000	£000
Cost				
At 30 December 2018	1,043	449	128	1,620
Additions	-	-	26	26
	<u>1,043</u>	<u>449</u>	<u>154</u>	<u>1,646</u>
At 28 December 2019	1,043	449	154	1,646
	<u>1,043</u>	<u>449</u>	<u>34</u>	<u>1,526</u>
Amortisation and impairment				
At 30 December 2018	1,043	449	34	1,526
Amortisation charged for the period	-	-	46	46
	<u>1,043</u>	<u>449</u>	<u>80</u>	<u>1,572</u>
At 28 December 2019	1,043	449	80	1,572
	<u>1,043</u>	<u>449</u>	<u>74</u>	<u>74</u>
Carrying amount				
At 28 December 2019	-	-	74	74
	<u>-</u>	<u>-</u>	<u>94</u>	<u>94</u>
At 29 December 2018	-	-	94	94
	<u>-</u>	<u>-</u>	<u>94</u>	<u>94</u>

Company	Other intangibles
	£000
Cost	
At 30 December 2018	128
Additions	26
	<u>154</u>
At 28 December 2019	154
	<u>34</u>
Amortisation and impairment	
At 30 December 2018	34
Amortisation charged for the period	46
	<u>80</u>
At 28 December 2019	80
	<u>74</u>
Carrying amount	
At 28 December 2019	74
	<u>94</u>
At 29 December 2018	94
	<u>94</u>

A.S.H.S. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 DECEMBER 2019

13 Tangible fixed assets

Group	Leasehold land and buildings £000	Fixtures and fittings £000	Total £000
Cost			
At 30 December 2018	6,371	6,943	13,314
Additions	155	37	192
Disposals	(3,433)	(1,429)	(4,862)
Transfers	(132)	132	-
Exchange adjustments	1	-	1
At 28 December 2019	2,962	5,683	8,645
Depreciation and impairment			
At 30 December 2018	5,857	6,522	12,379
Depreciation charged in the period	284	202	486
Eliminated in respect of disposals	(3,335)	(1,205)	(4,540)
At 28 December 2019	2,806	5,519	8,325
Carrying amount			
At 28 December 2019	156	164	320
At 29 December 2018	514	421	935
Company			
	Leasehold land and buildings £000	Fixtures and fittings £000	Total £000
Cost			
At 30 December 2018	2,915	6,076	8,991
Additions	151	27	178
Disposals	(604)	(798)	(1,402)
At 28 December 2019	2,462	5,305	7,767
Depreciation and impairment			
At 30 December 2018	2,726	5,526	8,252
Depreciation charged in the period	91	199	290
Eliminated in respect of disposals	(506)	(575)	(1,081)
At 28 December 2019	2,311	5,150	7,461
Carrying amount			
At 28 December 2019	151	155	306
At 29 December 2018	189	550	739

A.S.H.S. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 DECEMBER 2019

14 Fixed asset investments

		Group		Company	
	Notes	2019	2018	2019	2018
		£000	£000	£000	£000
Investments in subsidiaries	15	-	-	-	-

Movements in fixed asset investments

Company

Shares in
group
undertakings
£000

Cost or valuation

At 30 December 2018 and 28 December 2019

4,980

Impairment

At 30 December 2018 and 28 December 2019

4,980

Carrying amount

At 28 December 2019

-

At 29 December 2018

-

15 Subsidiaries

Details of the company's subsidiaries at 28 December 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
ASHS East Coast Limited	England and Wales	Non-trading company	Ordinary	100.00	-
A.S.H.S. USA Limited	England and Wales	Trading company	Ordinary	100.00	-
A.S.H.S. New York Inc	United States of America	Dormant	Ordinary	100.00	-
Anya Hindmarch Japan Inc	Japan	Trading company	Ordinary	100.00	-
Anya Hindmarch Limited	England and Wales	Non-trading company	Ordinary	100.00	-
A.S.H.S. Nevada LLC	United States of America	Dormant	Ordinary	-	100.00
A.S.H.S. Madison LLC	United States of America	Lease holding company	Ordinary	-	100.00
A.S.H.S. Downtown LLC	United States of America	Lease holding company	Ordinary	-	100.00

A.S.H.S. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 DECEMBER 2019

15 Subsidiaries

(Continued)

The registered office for all subsidiary undertakings incorporated in England and Wales is The Stable Block, The Plough Brewery, 516 Wandsworth Road, London, SW8 3JX.

A.S.H.S. Nevada LLC is registered at c/o CSC Services of Nevada, Inc., 502 East John Street, Carson City, Nevada 89706, USA.

A.S.H.S. Madison LLC is registered at co/ VCorp Agent Services, Inc., 25 Robert Pitt Drive Suite 204, Monsey, New York, 10952, USA.

A.S.H.S. Downtown LLC is registered at 795 Madison Avenue, New York, New York, 10065, USA.

A.S.H.S. New York Inc is registered at 110 Prince Street, New York, New York 10012, USA.

Anya Hindmarch Japan Inc is registered at 3-1-31, Minami Aoyama, Minato-ku, Tokyo, 107-0062, Japan.

During the prior period, following a reorganisation A.S.H.S. Japan Holding Limited was liquidated on 9 May 2018 and Anya Hindmarch Japan Inc became a direct subsidiary of the company.

During the prior period the company acquired 100% of the share capital of Anya Hindmarch Limited, a non-trading company.

16 Financial instruments

	Group		Company	
	2019	2018	2019	2018
	£000	£000	£000	£000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	1,262	2,679	505	1,022
Instruments measured at fair value through profit or loss	-	40	-	40
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount of financial liabilities				
Measured at fair value through profit or loss				
- Other financial liabilities	117	-	117	-
Measured at amortised cost	8,828	6,380	8,496	5,372
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

During the year the company had entered into various hedging instruments, to reduce its exposure to movements in the principal exchange rates in which it had transactions. Included in other creditors is the fair value of the contracts of £117,000 (2018: other debtors £40,000).

17 Stocks

	Group		Company	
	2019	2018	2019	2018
	£000	£000	£000	£000
Raw materials and consumables	72	330	72	330
Finished goods and goods for resale	2,379	6,773	1,183	4,425
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	2,451	7,103	1,255	4,755
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

A.S.H.S. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 DECEMBER 2019

17 Stocks

(Continued)

At the period end the directors made a provision for old and damaged stock including discontinued stock lines. During the period there was a net credit to the profit and loss account in respect of stock provisions of £42,000 (company: net debit £37,000).

18 Debtors

	Group		Company	
	2019	2018	2019	2018
	£000	£000	£000	£000
Amounts falling due within one year:				
Trade debtors	352	672	158	588
Other debtors	910	2,007	347	474
Prepayments and accrued income	1,229	920	1,158	706
	<u>2,491</u>	<u>3,599</u>	<u>1,663</u>	<u>1,768</u>

19 Creditors: amounts falling due within one year

		Group		Company	
		2019	2018	2019	2018
	Notes	£000	£000	£000	£000
Bank loans	20	-	445	-	445
Other borrowings	20	5,000	-	5,000	-
Trade creditors		1,536	3,689	1,393	3,180
Corporation tax payable		8	14	-	-
Other taxation and social security		325	371	231	256
Other creditors		690	347	685	320
Accruals and deferred income		1,719	1,899	1,535	1,427
		<u>9,278</u>	<u>6,765</u>	<u>8,844</u>	<u>5,628</u>

20 Loans and overdrafts

	Group		Company	
	2019	2018	2019	2018
	£000	£000	£000	£000
Bank loans	-	445	-	445
Loans from related parties	5,000	-	5,000	-
	<u>5,000</u>	<u>445</u>	<u>5,000</u>	<u>445</u>
Payable within one year	<u>5,000</u>	<u>445</u>	<u>5,000</u>	<u>445</u>

At the prior period end the company had a Clean Import Loan of £445,000 owed to the bank. This was secured by a charge over all the company's assets. This was cleared during the period.

A.S.H.S. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 DECEMBER 2019

21 Provisions for liabilities

	Group		Company	
	2019	2018	2019	2018
	£000	£000	£000	£000
Provision for onerous leases	1,143	1,984	1,052	-
Dilapidation provision	115	-	115	-
	<u>1,258</u>	<u>1,984</u>	<u>1,167</u>	<u>-</u>

Movements on provisions:

	Provision for onerous leases	Dilapidation provision	Total
Group	£000	£000	£000
At 30 December 2018	1,984	-	1,984
Additional provisions in the year	1,052	115	1,167
Utilisation of provision	(1,877)	-	(1,877)
Exchange difference	(16)	-	(16)
At 28 December 2019	<u>1,143</u>	<u>115</u>	<u>1,258</u>

	Provision for onerous leases	Dilapidation provision	Total
Company	£000	£000	£000
Additional provisions in the year	<u>1,052</u>	<u>115</u>	<u>1,167</u>

The directors make provisions for the net cost to the group, of onerous leases on loss making stores. In addition to this, a provision has been made for dilapidations where there is a commitment to return the store to its original condition.

22 Retirement benefit schemes

	2019	2018
Defined contribution schemes	£000	£000
Charge to profit or loss in respect of defined contribution schemes	<u>138</u>	<u>175</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

A.S.H.S. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 DECEMBER 2019

23 Share capital

	Group and company	
	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
Nil (2018: 98,913) Ordinary A of £1 each	-	98,913
Nil (2018: 47,134) Ordinary B of £1 each	-	47,134
80,000 (2018: Nil) Ordinary of 1p each	800	-
10,000 (2018: Nil) Performance of 1p each	100	-
10,000 (2018: Nil) Growth of 1p each	100	-
	<u>1,000</u>	<u>146,047</u>
Preference share capital		
Issued and fully paid		
10,000 (2018: 908,738) Preference of 1p each	100	908,738
Preference shares classified as equity	<u>100</u>	<u>908,738</u>
Total equity share capital	<u>1,100</u>	<u>1,054,785</u>

On the 24th December 2019 a total of 1,054,285 ordinary and preference shares were cancelled, the remaining 500 £1 Ordinary shares were redesignated to 50,000 £0.01 Ordinary shares and 30,000 new Ordinary shares of £0.01 each were issued. On the same day there were also allotments of 10,000 preference, 10,000 growth and 10,000 performance shares of £0.01 each.

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption.

The performance shares will rank pari passu with the ordinary shares as to voting rights, dividend and capital distribution, subject to the company's financial performance meeting certain thresholds. Until such time and subject thereto, the performance shares have no voting, dividend or capital distribution rights. They do not confer rights of redemption.

The growth shares will rank pari passu with the ordinary shares as to voting rights, dividends and capital distribution only on an exit and subject to certain hurdles and minimum returns having been achieved. Until such time and subject thereto, the growth shares have no voting, dividend or capital distribution rights. They do not confer rights of redemption.

Subject to certain initial investment amounts being repaid in full, the preference shares will rank in priority to the ordinary shares, growth shares and performance shares with respect to dividend and capital distribution until certain holders of preference shares have received a prescribed return on their preference shares, following which the preference shares will be cancelled. Until such time and subject thereto, the preference shares have no rights to dividends or capital distribution. They do not carry any voting rights nor do they confer rights of redemption.

A.S.H.S. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 DECEMBER 2019

24 Financial commitments, guarantees and contingent liabilities

The company has entered into a cross guarantee in favour of HSBC Bank with A.S.H.S. USA Limited and ASHS East Coast Limited. At the period end the maximum liability represented by group borrowings under this guarantee was £Nil.

The company has also given letters of support to A.S.H.S USA Limited and Anya Hindmarch Japan Inc

HSBC Bank have a fixed and floating charge over the current and future assets of the company.

HM Revenue & Customs have a guarantee over the bank current account for any amount due to them up to £40,000.

25 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2019	2018	2019	2018
	£000	£000	£000	£000
Within one year	1,522	2,342	1,275	1,816
Between two and five years	3,024	4,795	2,699	4,550
In over five years	1,203	3,042	1,203	3,042
	<u>5,749</u>	<u>10,179</u>	<u>5,177</u>	<u>9,408</u>

26 Events after the reporting date

After the period end, the company allotted a further 10,000 £0.01 A Preference shares for £5m which converts the shareholder loan to equity. In addition 3,600 £0.01 ordinary shares, 250 £0.01 growth shares, and 5,322 £0.01 performance shares were all issued at par value.

After the period end the company reduced its share premium account from £74,321,000 to £nil. This reduction has the effect of increasing the profit and loss reserves.

A.S.H.S. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE PERIOD ENDED 28 DECEMBER 2019**

27 Related party transactions

The group has taken advantage of the exemption not to disclose any transactions with entities that are included in the consolidated financial statements on the grounds that 100% of the voting rights in the company are controlled within that group and the company is included within those financial statements.

Payments have been made in the period in respect of consultancy services received during the period from M W Hindmarch, a director of the company. These payments totalled £6,000 for the period (2018: £6,000).

Payments were made in the prior period totalling £103,000 for services received from Barville & Co. Ltd, a related party by virtue of ownership by a director of this company in the prior period. No such payments were made in the current period.

During the prior period bridging loans totaling £9,500,000 were provided by Mayhoola Investments. On 12 September 2018, Mayhoola for Investments LLC subscribed for 843,828 Preference A shares of £1 each for a consideration of £20 million by way of conversion of the shareholder loans of £9.6m including unpaid interest. The loan balance at the period end was £nil (2018: £nil).

During the period a restructure took place resulting in a loan of £5m from Mr Javad Marandi, a related party by virtue of his shareholding, to the company. There is no interest on this loan and it is repayable on demand. As at the period end, this amount was still outstanding and included within creditors. After the period end this has been converted to equity.

28 Controlling party

At the period end the ultimate controlling party was Mr Javad Marandi by virtue of his shareholding which he acquired on 25 March 2019. At the prior period end the ultimate parent company was Mayhoola for Investments, a company incorporated in Qatar.

A.S.H.S. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 DECEMBER 2019

29 Cash absorbed by group operations

	2019 £000	2018 £000
Loss for the period after tax	(12,779)	(12,544)
Adjustments for:		
Taxation credited	(197)	(11)
Finance costs	127	236
Investment income	(67)	(163)
Loss on disposal of tangible fixed assets	318	12
Fair value movement on foreign exchange contracts	(117)	(40)
Amortisation and impairment of intangible assets	46	30
Depreciation and impairment of tangible fixed assets	486	1,334
Foreign exchange gains on cash equivalents	-	(8)
Decrease in provisions	(726)	(440)
Movements in working capital:		
Decrease in stocks	4,652	2,800
Decrease in debtors	1,108	2,696
Decrease in creditors	(2,036)	(3,417)
Cash absorbed by operations	<u>(9,185)</u>	<u>(9,515)</u>