

DARIUS CAPITAL LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2014

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STRATEGIC REPORT

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

Business Activities

The company's activity is that of an intermediate holding company for the Austin Reed Group.

Financial Performance

The profit and loss account for the year is set out on page 5. The loss for the year, after taxation, amounted to £388,316 (2013: £441,200 loss).

Post Balance Sheet event

On 21 May 2014, the Group refinanced its existing bank debt under a new 3 year facility. The directors feel that the new financing will give the Group sufficient funding to pay its liabilities as they fall due.

Principal Risks and Uncertainties

The company's profitability is influenced primarily by the cost of the borrowings undertaken to finance its business.

Going Concern

The company has net current liabilities of £36.5m, which have arisen due to the financing structure of the company and nature of activities. The directors, having paid due consideration to the financial resources of the company's subsidiaries, believe that the going concern basis of preparation continues to be appropriate.

Employment of Disabled Persons

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

Employee Communication

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

On behalf of the Board


A Charlton
Director

29 October 2014

DIRECTORS' REPORT

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

Dividends

The directors do not recommend the payment of a final dividend for the year ended 31 January 2014 (2013: nil).

Directors

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

A Charlton
N W Hollingworth
G A Naggar
J Naggar
A S Jacobs

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REPORT (continued)

Auditors and Annual General Meeting

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Pursuant to a resolution passed by the members on 19 September 2006, the company has elected to dispense with the holding of Annual General Meetings, of laying financial statements and reports before the company in general meeting, and with the obligation to reappoint the auditors annually.

On behalf of the Board



A Charlton
Director

29 October 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DARIUS CAPITAL LIMITED

We have audited the financial statements of Darius Capital Limited for the year ended 31 January 2014 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2014 and of its 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.

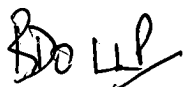
Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



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

United Kingdom

29 October 2014

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

DARIUS CAPITAL LIMITED
PROFIT & LOSS ACCOUNT

For the year ended 31 January 2014

	Notes	2014 £	2013 £
Administrative expenses		(1,385)	(85,566)
Operating loss	2	<u>(1,385)</u>	<u>(85,566)</u>
Interest payable and similar charges	4	(501,585)	(341,526)
Loss on ordinary activities before taxation	2	<u>(502,970)</u>	<u>(427,092)</u>
Taxation	5	114,654	(14,108)
Loss on ordinary activities after taxation	12	<u><u>(388,316)</u></u>	<u><u>(441,200)</u></u>

All results derive from continuing operations.

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

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

DARIUS CAPITAL LIMITED
BALANCE SHEET

at 31 January 2014

	Notes	2014		2013	
Company No. 5940388		£	£	£	£
FIXED ASSETS					
Fixed asset investments	6		49,315,331		49,315,331
CURRENT ASSETS					
Debtors	7	15,824		265,354	
Cash at bank and in hand				2	
		<u>15,824</u>		<u>265,356</u>	
CREDITORS					
Amounts falling due within one year	8	<u>(36,496,031)</u>		<u>(33,734,074)</u>	
NET CURRENT LIABILITIES			(36,480,207)		(33,468,718)
Total assets less current liabilities			<u>12,835,124</u>		<u>15,846,613</u>
CREDITORS					
Amounts falling due after more than one year	9		(4,979,979)		(7,603,152)
Net assets			<u><u>7,855,145</u></u>		<u><u>8,243,461</u></u>
CAPITAL AND RESERVES					
Called up share capital	10		476,703		476,703
Share premium account	11		6,446,102		6,446,102
Profit and loss account	12		<u>932,340</u>		<u>1,320,656</u>
Shareholder's funds	13		<u><u>7,855,145</u></u>		<u><u>8,243,461</u></u>

The financial statements on pages 5 to 11 were approved by the Board of Directors and authorised for issue on 29 October 2014 and are signed on its behalf by :

A Charlton

Director

DARIUS CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS

at 31 January 2014

1. ACCOUNTING POLICIES

The company is exempt from preparing consolidated financial statements for its group under the Companies Act 2006, as the company's ultimate parent, Gajan Holdings Limited, is incorporated in Great Britain and prepares group financial statements.

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

The company's financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP).

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

Fixed asset investments

Investments held as fixed assets are stated at cost less any provision for permanent impairment.

Dividends

Equity dividends are recognised when they become legally payable. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Cash Flow Statement

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

2. OPERATING LOSS

	2014 £	2013 £
Operating loss is stated after charging:		
Auditors' remuneration - Audit fees	5,000	5,000

3. EMPLOYEES

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

Directors' Remuneration

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

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £	2013 £
Interest payable on bank loans and overdrafts	244,101	301,526
Interest payable on loan notes	7,954	40,000
Amortisation of debt issue costs	249,530	-
	<u>501,585</u>	<u>341,526</u>

DARIUS CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS

at 31 January 2014

5. TAXATION

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

	2014 £	2013 £
Current tax:		
Group relief at 23.16% (2013: 24.33%)	(114,654)	(94,171)
Adjustments in respect of prior years	-	108,279
	<u>(114,654)</u>	<u>14,108</u>
Reconciliation of current tax charge		
Loss on ordinary activities before taxation	<u>(502,970)</u>	<u>(427,092)</u>
Expected tax credit at standard rate of 23.16% (2013: 24.33%)	(116,496)	(103,902)
Expenses not deductible for corporation tax purposes	1,842	9,731
Adjustments to tax charge in respect of prior years	-	108,279
Current tax (credit)/charge for the year	<u>(114,654)</u>	<u>14,108</u>

6. FIXED ASSET INVESTMENTS

	Group undertakings £
Cost:	
At 1 February 2013 and 31 January 2014	<u>49,315,331</u>

The Company's investments relate to shares held in subsidiary undertakings. Details of principal subsidiaries are shown below:

	Country of incorporation	Country of principal operation	Principal activities
Austin Reed Group Limited	England	England	Holding company
Austin Reed Limited*	England	England	Retailing
Country Casuals Limited*	England	England	Retailing
ARG (Property) Limited*	England	England	Retailing
Austin Reed Credit Services Limited*	England	England	Credit servicing

All subsidiaries are wholly owned.

* Undertakings held indirectly by the company.

DARIUS CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS

at 31 January 2014

7. DEBTORS

	2014 £	2013 £
Amounts falling due within one year:		
Prepayments	15,824	265,354
	<u>15,824</u>	<u>265,354</u>

8. CREDITORS

Amounts falling due within one year

	2014 £	2013 £
Amount due to group undertakings	33,881,001	33,716,072
Term loans	2,598,030	-
Accruals	17,000	18,002
	<u>36,496,031</u>	<u>33,734,074</u>

9. CREDITORS

Amounts falling due after one year

	2014 £	2013 £
Term loans	4,750,000	7,348,030
Loan notes	229,979	255,122
	<u>4,979,979</u>	<u>7,603,152</u>

The term loans represent amounts borrowed under an eight year facility at variable rates of interest linked to LIBOR, expiring on 25 March 2015. The loans are secured by a fixed charge over stock and debtors of certain fellow subsidiary companies.

The loan notes are non-voting and do not have a preferential right to return of capital on a winding up. The loan notes are repayable between 2016 and 2019. Interest at the coupon rate of 12% is rolled up into capital and is repayable at the term of the loan.

	2014 £	2013 £
The repayment profile for the term loans is as follows:		
Within 1 year	2,598,030	-
Between 1 and 2 years	4,750,000	2,598,030
Between 2 and 5 years	-	4,750,000
	<u>7,348,030</u>	<u>7,348,030</u>

The term loans represent amounts borrowed under an eight year facility at variable rates of interest linked to LIBOR, expiring on 28 March 2015. On 21 May 2014 the Group refinanced its existing bank borrowings under a new 3 year facility.

DARIUS CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS

at 31 January 2014

10. SHARE CAPITAL

	2014	2013
	£	£
Ordinary shares of £1 each Issued, called up and fully paid	476,703	476,703

11. SHARE PREMIUM ACCOUNT

	2014	2013
	£	£
At start and end of year	6,446,102	6,446,102

12. PROFIT AND LOSS ACCOUNT

	2014	2013
	£	£
At start of year	1,320,656	1,761,856
Loss for the year	(388,316)	(441,200)
At end of year	932,340	1,320,656

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	Share Capital £	Share Premium £	Retained Profit £	Total Equity £
At start of year	476,703	6,446,102	1,320,656	8,243,461
Loss for the year	-	-	(388,316)	(388,316)
Closing shareholder's funds	476,703	6,446,102	932,340	7,855,145

DARIUS CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS

at 31 January 2014

14. ULTIMATE CONTROLLING PARTY

The company is a wholly owned subsidiary of Gajan Holdings Limited, a company registered in England. Under the terms of Financial Reporting Standard No. 8 Darius Capital Limited is exempt from disclosing related party transactions and balances with entities within the Gajan Holdings Limited group of companies.

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