

Ann Summers Ltd

Registered number 1034349

Directors' report and financial statements

For the 52 week period ended 25 June 2011

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ANN SUMMERS LTD

COMPANY INFORMATION

Directors	J Gold V Gold P Clarke (appointed 25/7/11)
Company secretary	P G Unadkat
Company number	1034349
Registered office	Gold Group House Godstone Road Whyteleafe Surrey CR3 0GG
Auditor	Mazars LLP Chartered Accountants & Statutory Auditor Tower Bridge House St Katharine's Way London E1W 1DD
Bankers	RBS 48 Haymarket London SW1Y 4SE

ANN SUMMERS LTD

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ANN SUMMERS LTD

CHIEF EXECUTIVE'S REPORT FOR THE PERIOD ENDED 25 JUNE 2011

Despite a challenging trading climate we are pleased to report a continued profitable performance for Ann Summers in the period ended 25 June 2011. We have further invested in the transformation of our brand and product offer as well as our pricing architecture to ensure our reinvigorated product represents excellent value for money to our customers. In order to deliver this we have absorbed both commodity price pressures and VAT increases, which have contributed to a decline in our year on year profit number.

Ann Summers retains a number of key assets which will enable us to trade through the continued economic uncertainty as successfully as possible.

- A strong financial position with healthy cash flows and no debt
- A strongly differentiated brand with high awareness levels and increasing levels of saliency and relevance following a full rebranding exercise
- A unique range of products now transformed in line with our new brand expression
- A multi channel business model combining Retail, Party Plan and our fast growing E-Commerce proposition
- An investment in talent at a senior level which will ensure that the business is well positioned to focus on long term profitability

Future developments

We will continue to focus on the delivery of sustainable growth enabled by the strength of our highly differentiated brand. Although the economic situation in the UK remains challenging, we will continue to invest in the long term growth of our business.

In particular, our ongoing objectives are:

- To continue to build on our strong brand
- Further innovation across the entire Ann Summers range
- Invest in our E-Commerce proposition
- Investment in talent across all aspects of our business
- Investment in our core systems to enable improved efficiency & quality decision making
- Continuous cost control & improved stock management

I would like to thank the wonderful team of people I work with, at Head Office and in the field. Our store colleagues and party organisers are an inspiration and deliver a consistently high level of service to all of our customers day in day out.

We look forward to continuing with our ethos of a "Business doing pleasure".

J Gold
Chief Executive Officer



Date 5.3.12

ANN SUMMERS LTD

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 25 JUNE 2011**

Registered number 1034349

The directors present their report and the financial statements for the 52 week period ended 25 June 2011

Principal activities

The principal activity of the company continued to be that of retailing and distribution

Business review

Turnover decreased from £118m to £116m during the period ended 25 June 2011

At the year end Ann Summers Ltd operated 144 stores in the UK (2010 - 140) in its retail capacity alongside the distribution activities of its party plan and internet divisions. Sister companies Ann Summers Ireland (Retail) Limited and Ann Summers SL operated three retail stores in Eire (2010 - three) and one retail store in Spain (2010 - one) respectively. As experienced during the period ended 25 June 2011, the directors anticipate trading across all divisions to mirror the economic conditions prevailing at the time.

Results and dividends

The profit for the period, before taxation, amounted to £2.8m (2010 - £5.8m). The directors do not recommend the payment of a dividend (2010 - £nil).

Directors

The directors who served during the period were

J Gold
V Gold
S Wye (resigned 7/7/10)
P Minowa (resigned 1/7/11)

Principal risks

Financial instruments

The company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk.

The company has in place a risk management programme that seeks to limit the possible adverse effects on the financial performance of the company by monitoring levels of cash and performing a thorough appraisal of any potential new projects. The company does not use derivative financial instruments or manage interest rate costs and, as such, no hedge accounting is applied.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The company's finance department implements the policies set by the board of directors. The department has specific guidelines agreed by the directors to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these.

ANN SUMMERS LTD

DIRECTORS' REPORT FOR THE PERIOD ENDED 25 JUNE 2011

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before new accounts are accepted. If debt finance were to be utilised, it would be subject to pre-approval by the board of directors.

The amount of exposure to any individual counterparty is limited and is reassessed annually by the board.

Liquidity and cash flow risk

The directors consider the company to have sufficient available funds for operations and planned expansions. Any debt finance would have to be approved by the board of directors before it was taken on.

Interest rate risk

The company has interest bearing assets, but no such liabilities. Interest bearing assets include cash balances and amounts due from group undertakings that earn interest at a floating rate.

Price risk

Expenditure made by the company is authorised prior to it being made by management in order to ensure that goods and services are not obtained at a higher price than necessary.

Key performance indicators

The company constantly monitors a number of Key Performance Indicators to ensure optimal business performance. Analysis is maintained on weekly like for like sales comparisons across all sales channels, actuals against forecast and budget, footfall including internet traffic, sale conversion rates, average transaction value, staff retention rates, age of debt, stock holding and stock turnover and margin rates.

Company's policy for payment of creditors

The company's current policy concerning the payment of trade creditors is to

- settle the terms of payment with suppliers when agreeing the terms of each transaction,
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts, and
- pay in accordance with the company's contractual and other legal obligations.

On average trade creditors at the period end represented 43 (2010 - 43) days' purchases and expenses.

Employees

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

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

Methods of providing employees with information about the company and encouraging suggestions and views on the company's performance are under constant consideration.

The company's policy is to consult and discuss with employees at meetings and at forums matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports, which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

ANN SUMMERS LTD

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 25 JUNE 2011**

Statement of directors' responsibilities

The directors are responsible for preparing 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 judgments and 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, and
- 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.

Provision of information to auditor

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

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

Auditor

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

This report was approved by the board on 5 3 12

and signed on its behalf

Jacques Gold

J Gold
Director

ANN SUMMERS LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANN SUMMERS LTD

We have audited the financial statements of Ann Summers Ltd for the period ended 25 June 2011 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).

Respective responsibilities of directors and auditor

As explained more fully in the statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 25 June 2011 and of its profit 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.

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Chief Executive's report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

ANN SUMMERS LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANN SUMMERS LTD

Matters on which we are required to report by exception

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

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



Samantha Russell (Senior Statutory Auditor)

For and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Tower Bridge House
St Katharine's Way
London
E1W 1DD

Date 14 Nov 2012

ANN SUMMERS LTD

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 25 JUNE 2011**

	Note	2011 £	2010 £
Turnover	2	115,726,977	118,499,131
Cost of sales		(45,810,495)	(44,910,891)
Gross profit		69,916,482	73,588,240
Distribution costs		(35,930,184)	(34,348,976)
Administrative expenses		(33,424,936)	(35,389,211)
Other operating income	3	2,043,323	1,726,264
Operating profit	4	2,604,685	5,576,317
Interest receivable and similar income	6	183,006	216,512
Interest payable and similar charges	7	(31,372)	(22,182)
Profit on ordinary activities before taxation		2,756,319	5,770,647
Tax on profit on ordinary activities	8	308,629	(518,438)
Profit for the financial period		3,064,948	5,252,209

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the profit and loss account

The notes on pages 9 to 19 form part of these financial statements

ANN SUMMERS LTD
Registered number: 1034349

BALANCE SHEET
AS AT 25 JUNE 2011

	Note	£	2011 £	£	2010 £
Fixed assets					
Tangible assets	9		5,132,006		6,262,009
Investments	10		2,539		2,539
			<u>5,134,545</u>		<u>6,264,548</u>
Current assets					
Stocks	11	10,753,318		13,990,769	
Debtors	12	42,331,992		39,597,681	
Cash at bank and in hand		20,900,735		19,140,666	
		<u>73,986,045</u>		<u>72,729,116</u>	
Creditors amounts falling due within one year	14	(27,420,239)		(30,752,828)	
Net current assets			<u>46,565,806</u>		<u>41,976,288</u>
Total assets less current liabilities			<u>51,700,351</u>		<u>48,240,836</u>
Provisions for liabilities					
Other provisions	15		(5,483,160)		(5,088,593)
			<u>46,217,191</u>		<u>43,152,243</u>
Capital and reserves					
Called up share capital	16		500,000		500,000
Profit and loss account	17		45,717,191		42,652,243
Equity shareholders' funds	18		<u>46,217,191</u>		<u>43,152,243</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5 3 12.

J Gold
Director

Jacqueline End

The notes on pages 9 to 19 form part of these financial statements

ANN SUMMERS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 JUNE 2011**

1 Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

These financial statements represent the 52 week period ending 25 June 2011 (2010 52 week period ended 26 June 2010)

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Short leasehold land and buildings	-	over the period of the lease
Motor vehicles	-	25% straight line
Fixtures & fittings	-	25% straight line

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is computed on a first in, first out basis. Net realisable value is based on an estimated selling price less the estimated cost of disposal

ANN SUMMERS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 JUNE 2011**

1 Accounting policies (continued)

1.7 Deferred taxation

Full ~~provision~~ is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

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

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

1.9 Pensions

The company contributes to defined contribution pension policies individually held by directors and staff. Contributions to these funds are charged to the profit and loss account as and when they are due

1.10 Group overhead expenditure

Overhead expenditure incurred by the company on behalf of other group companies is recharged to each of these companies in the period in which it is incurred

1.11 Cash flow

The company has taken advantage of the exemption applicable to wholly owned subsidiaries under Financial Reporting Standard 1 Cash Flow Statements (revised) where the parent company produces consolidated financial statements including a consolidated cash flow statement showing the cash flows of the group. Therefore no cash flow statement has been produced

1.12 Consolidation

As an intermediate parent company whose securities are not listed anywhere in the European Community and whose immediate parent company is incorporated under the law of an EC member country, the company is exempt from the requirement to prepare group financial statements. The results of the company and of its subsidiaries are included in the consolidated financial statements prepared by the ultimate parent company, GGI Holdings Limited. For a listing of subsidiary undertakings of the company, please refer to note 10

ANN SUMMERS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 JUNE 2011**

1. Accounting policies (continued)

1.13 Accounting estimation techniques

The carrying amounts of certain assets and liabilities have been determined based on management's judgement regarding estimates and assumptions of future events. The reasonableness of estimates and underlying assumptions are reviewed on an ongoing basis. Changes to estimates are recognised in the period in which the estimate is revised. The key judgements, estimates and assumptions are

Dilapidations provision:

The provision for restorative works is recognised as the estimated future expenditure to return the store to its existing condition at the start of the lease. A corresponding tangible fixed asset is capitalised and amortised over the shorter of the asset's useful life and the remainder of the lease term.

The provision for building wear and tear works is the estimate of repair costs, anticipated by company's surveyor, to be payable in the next four years. Where the wear and tear has already been incurred this is fully provided for. Where the wear and tear expenditure is expected to be incurred in the next four years it is provided for over the remaining term of the lease on a straight line basis.

Onerous contract provision:

The provision recognised is the net present value of the estimated future unavoidable costs of meeting the obligations under the contract, where the unavoidable costs exceed the economic benefits expected to be received. Any changes in the net present value of the estimated costs are reflected as an adjustment to the provision.

2 Turnover

The whole of the turnover is attributable to the company's principal activity.

All turnover arose within the United Kingdom.

3 Other operating income

	2011 £	2010 £
Sundry income	183,078	163,412
Weekly kit rental	365,948	371,290
Rents and service charges	259,482	210,131
Postage and courier income	1,234,815	981,431
	<u>2,043,323</u>	<u>1,726,264</u>

ANN SUMMERS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 JUNE 2011**

4 Operating profit

The operating profit is stated after charging/(crediting)

	2011 £	2010 £
Depreciation of tangible fixed assets		
- owned by the company	3,901,133	3,230,803
Auditors' remuneration	50,850	44,682
Auditors' remuneration - non-audit (tax services)	45,399	54,572
Difference on foreign exchange	293,234	169,532
(Profit)/loss on disposal of tangible assets	(9,868)	174,593
Operating lease rentals	18,962,258	18,792,852
Impairment of tangible fixed assets	(3,367)	(14,644)
Charge/(write back) in relation to onerous lease provision	770,037	(993,495)
(Write back)/provision in relation to long term incentive plan	(495,000)	495,000
	<u>22,271,140</u>	<u>22,950,650</u>

5. Staff costs

Staff costs were as follows:

	2011 £	2010 £
Wages and salaries	20,498,556	21,224,960
Social security costs	1,602,927	1,557,923
Other pension costs	169,657	167,767
	<u>22,271,140</u>	<u>22,950,650</u>

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

	2011 No	2010 No
Distribution and retail staff	1,332	1,179
Administration staff	203	270
Total	<u>1,535</u>	<u>1,449</u>

ANN SUMMERS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 JUNE 2011**

6 Interest receivable

	2011 £	2010 £
Interest receivable from group companies	87,788	96,699
Bank interest receivable	95,218	98,679
Other interest received	-	21,134
	<u>183,006</u>	<u>216,512</u>

7 Interest payable

	2011 £	2010 £
On bank loans and overdrafts	896	1,349
Other interest paid	30,476	20,833
	<u>31,372</u>	<u>22,182</u>

ANN SUMMERS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 JUNE 2011

8 Taxation

	2011 £	2010 £
Analysis of tax (credit)/charge in the period		
Current tax (see note below)		
UK corporation tax charge on profit for the period	-	440,564
Adjustments in respect of prior periods	(756)	30,388
	<u>(756)</u>	<u>470,952</u>
Group taxation relief	27,006	117,728
	<u>26,250</u>	<u>588,680</u>
Total current tax		
Deferred tax		
Origination and reversal of timing differences	(334,879)	(70,242)
	<u>(308,629)</u>	<u>518,438</u>
Tax on profit on ordinary activities		

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2010 - lower than) the standard rate of corporation tax in the UK of 27.5% (2010 - 28%). The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before tax	<u>2,756,319</u>	<u>5,770,647</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 27.5% (2010 - 28%)	757,988	1,615,781
Effects of		
Expenses not deductible for tax purposes	53,648	71,031
Depreciation add back	1,031,788	910,855
Capital allowances	(276,117)	(814,836)
Capitalised revenue	(73,929)	(69,195)
Foreign tax adjustments	(1,419)	(1,940)
Other tax adjustment	(109,978)	160,169
Adjustments to previous periods	-	30,388
Accounting loss on disposals	(2,714)	48,886
Group relief claimed but unpaid for	(1,353,017)	(1,362,459)
	<u>26,250</u>	<u>588,680</u>
Current tax charge for the period (see note above)		

ANN SUMMERS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 JUNE 2011

9 Tangible fixed assets

	Short leasehold land and buildings £	Motor vehicles £	Fixtures, fittings and equipment £	Total £
Cost				
At 27 June 2010	567,447	373,002	37,066,995	38,007,444
Additions	-	5,200	2,766,394	2,771,594
Disposals	-	(318,298)	(6,692,917)	(7,011,215)
At 25 June 2011	567,447	59,904	33,140,472	33,767,823
Depreciation				
At 27 June 2010	522,250	373,002	30,850,183	31,745,435
Charge for the period	8,931	1,408	3,890,794	3,901,133
On disposals	-	(318,298)	(6,689,086)	(7,007,384)
Impairment charge	-	-	(3,367)	(3,367)
At 25 June 2011	531,181	56,112	28,048,524	28,635,817
Net book value				
At 25 June 2011	36,266	3,792	5,091,948	5,132,006
At 26 June 2010	45,197	-	6,216,812	6,262,009

10 Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 27 June 2010 and 25 June 2011	2,539

Principal entities in which the company held more than 20% of the share capital at the period end

Company	Country of registration or incorporation	Shares held	Principal activity
Subsidiary undertakings		Class %	
Ann Summers (Ireland) Limited	Republic of Ireland	Ordinary 100	Party plan
Ann Summers S L	Spain	Ordinary 100	Retail
Knickerbox (Ireland) Limited	Republic of Ireland	Ordinary 100	Dormant

The aggregate amount of capital and reserves and profit or loss for the period of the investments has not been disclosed as the entity is exempt from the requirement to prepare group accounts, see note 1 12

As the investments are not publicly traded they are valued at cost and not market value

ANN SUMMERS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 JUNE 2011**

11 Stocks

	2011 £	2010 £
Finished goods and goods for resale	10,753,318	13,990,769

12 Debtors

	2011 £	2010 £
Trade debtors	2,270,339	2,124,278
Amounts owed by group undertakings	26,799,427	24,578,370
Corporation tax	460,756	379,436
Other debtors	370,468	487,406
Prepayments and accrued income	10,767,955	10,700,023
Deferred tax asset (see note 13)	1,663,047	1,328,168
	42,331,992	39,597,681

13. Deferred tax asset

	2011 £	2010 £
At 27 June 2010	1,328,168	1,257,926
Provided during the period	334,879	70,242
At 25 June 2011	1,663,047	1,328,168

The deferred tax asset is made up as follows

	2011 £	2010 £
Accelerated capital allowances	1,663,047	1,328,168

**14 Creditors:
Amounts falling due within one year**

	2011 £	2010 £
Trade creditors	8,635,048	9,304,283
Amounts owed to group undertakings	5,902,854	6,108,819
Social security and other taxes	2,364,744	2,985,193
Other creditors	6,068,878	6,723,490
Accruals and deferred income	4,448,715	5,631,043
	27,420,239	30,752,828

ANN SUMMERS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 JUNE 2011**

15 Provisions

	Dilapidations £	Onerous contracts £	LTIP £	Total £
At 27 June 2010	2,666,139	1,927,454	495,000	5,088,593
Additions	205,443	963,853	-	1,169,296
Amounts used	(85,913)	(114,572)	-	(200,485)
Amounts released	-	(79,244)	(495,000)	(574,244)
At 25 June 2011	<u>2,785,669</u>	<u>2,697,491</u>	<u>-</u>	<u>5,483,160</u>

The provision of £2,697,491 (2010 - £1,927,454) is in relation to onerous contracts in respect of eight (2010 - four) loss making stores. It is considered that the unavoidable costs of meeting the lease contracts for these stores will exceed the expected future economic benefits. The balance reflects the net present value of future cash flows over the life of the respective leases.

A dilapidations provision has been recognised in respect of the estimated cost of returning stores to their original state at the end of their respective lease terms. The provision is spread over the remaining period of tenancy.

A provision had been recognised in respect of a Long Term Incentive Plan ("LTIP") for the senior management team, which commenced during the previous period and under which no payments have been made. As a result of the directors' assessment of the performance of the company against pre-determined targets over a three year period ending on 30 June 2012, the provision has been reversed in full.

16 Share capital

	2011 £	2010 £
Authorised		
500,010 Ordinary shares of £1 each	<u>500,010</u>	<u>500,010</u>
Allotted, called up and fully paid		
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>

17. Reserves

	Profit and loss account £
At 27 June 2010	42,652,243
Profit for the period	<u>3,064,948</u>
At 25 June 2011	<u>45,717,191</u>

ANN SUMMERS LTD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 JUNE 2011****18 Reconciliation of movement in shareholders' funds**

	2011 £	2010 £
Opening shareholders' funds	43,152,243	37,900,034
Profit for the period	3,064,948	5,252,209
Closing shareholders' funds	<u>46,217,191</u>	<u>43,152,243</u>

19 Contingent liabilities

The company has given a cross guarantee to secure the banking arrangements of the group. At the balance sheet date the group's indebtedness to its bankers under this agreement was £nil (2010 - £nil)

20 Pension commitments

The company contributes to defined contribution pension policies held individually by directors and staff. The pension cost charge represents contributions payable by the company in the period to these policies and amounted to £169,657 (2010 - £167,767). The amount outstanding at the period end and included within other creditors was £25,782 (2010 - £27,420).

21 Operating lease commitments

At 25 June 2011 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2011 £	2010 £
Expiry date:		
Within 1 year	460,000	40,500
Between 2 and 5 years	1,685,625	1,660,349
After more than 5 years	<u>14,685,317</u>	<u>16,223,420</u>

ANN SUMMERS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 JUNE 2011**

22 Directors' remuneration

	2011 £	2010 £
Emoluments for qualifying services	940,393	1,250,194
Compensation for loss of office	36,500	30,000
Long term incentive plan	(213,016)	213,016
Company pension contributions to money purchase pension schemes	<u>76,715</u>	<u>89,830</u>

During the period the provision made in 2010 in respect of a Long Term Incentive Plan has been reversed in full. It is not anticipated that any payments will be made in this respect.

During the period retirement benefits were accruing to 3 directors (2010 - 3) in respect of money purchase pension schemes.

Emoluments disclosed above include the following amounts paid to the highest paid director

	2011 £	2010 £
Emoluments for qualifying services	503,453	349,728
Compensation for loss of office	36,500	-
Long term incentive plan	(64,000)	101,016
Company pension contributions to money purchase pension schemes	<u>24,000</u>	<u>25,000</u>

23. Related party transactions

The company is a wholly owned subsidiary of Gold Group International Limited and utilises the exemption contained in Financial Reporting Standard 8 Related Party Disclosures, not to disclose any transactions with entities that are part of the GGI Holdings Group. The address at which the consolidated financial statements are publicly available is Gold Group House, Godstone Road, Whyteleafe, Surrey CR3 0GG.

24. Ultimate parent undertaking and controlling party

At the period end the ultimate parent undertaking was GGI Holdings Limited and the immediate parent undertaking was Gold Group International Limited. Both companies are registered in England and Wales.

At the period end the company's ultimate controlling party continued to be D Gold, by virtue of his beneficial interest in the entire issued share capital of the ultimate parent undertaking.