

Ann Summers Ltd

Directors' report and financial statements

For the 52 week period ended
25 June 2016

Company registration number: 01034349



Ann Summers Ltd

Report and Financial Statements
for the 52 weeks ended 25 June 2016

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Company Information

Directors	J Gold CBE V Gold J Boyle
Company secretary	P G Unadkat
Company number	01034349
Registered office	Gold Group House Godstone Road Whyteleafe Surrey CR3 0GG
Auditors	Mazars LLP Chartered Accountants & Statutory Auditor Tower Bridge House St Katharine's Way London E1W 1DD
Bankers	Royal Bank of Scotland NWB Central Corp. Banking Corporate Banking Centre 5-10 Great Tower Street London EC3P 3HX

Ann Summers Ltd
Strategic Report
for the 52 week period ended 25 June 2016

CEO's Message

Following another year of solid trading, I am delighted to report an operating profit of £0.8m for the 52 weeks ended 25 June 2016. This is an increase of 129% on 2015.

Having returned the business to profitability in 2015, in 2016 the company focussed on building our foundations for growth:

We continued to roll out our store refurbishment programme: we opened 4 new stores including our first outlet store and a factory shop; we refitted/resited a further 5 stores. These stores significantly outperform the rest of our estate and we plan to refit the remainder of our core portfolio over the next two to three years.

August 2015 saw the launch of our new-e-commerce platform, Demandware, providing our customers with a better on-line shopping experience and helped drive stronger customer conversion.

In Party Plan we introduced a new senior leadership team and put in place simple changes to re-engage our party ambassadors and to drive recruitment. Party Plan trade saw a consistent improvement each month and returned to positive growth as we entered the new financial year.

We also achieved growth through our Wholesale channel, growing our existing partnerships as well as on-boarding new ones, including our on-line House of Fraser concession. Our wholesale and concession partners (which include ASOS, Shop Direct and House of Fraser) consistently report that the Ann Summers brand ranks within their top 3 lingerie brands.

Our investment in our IT infrastructure continued, with plans in place to overhaul our core systems over the next 12 months to ensure we provide our customers with a great shopping experience.

Product development also remains a key business focus. In AW15 we launched our hugely successful Moregasm range featuring climax technology and endorsed by Dr. Christian Jessen. We introduced fashion lines in AW15 which our customers love, including our highly sought after 'Willa' range. In SS16 our swimwear ranges were improved again, and backed by TV star Vicky Pattinson as our 'face of'. Playwear lines were also re-invigorated, with particular success on our Halloween and Christmas lines.

I would like to thank the outstanding team of people I work with at head office, in our stores and our party ambassadors. I know we will all continue to inspire our customers to look and feel sexy with innovative, fun and daring experiences.



J Gold CBE
Chief Executive Officer

28th November 2016

Ann Summers Ltd
Strategic Report
for the 52 week period ended 25 June 2016

Business Model

Ann Summers Ltd's principal activity is the retail and wholesale of lingerie, apparel, adult toys and related accessories.

At the end of the year Ann Summers Ltd had a UK High Street presence through it's 130 stores (last year: 135) with a further 4 stores (last year: 3) in EIRE through its sister company, Ann Summers Ireland (Retail) Ltd. The company continues to distribute to it's network of Party Ambassadors, operates a UK based web channel that serves both UK and International customers, and has a growing Wholesale and Licensing channel.

Future Plans

The business will continue with its plans to profitably grow the business through:

- A customer focus in everything we do
- Our store refit programme and web enhancements
- UK and international growth through new and existing wholesale and concession partners
- Product innovation
- Systems transformation
- Developing and retaining our talent

Financial Review

Turnover decreased from £105m to £102m during the period ended 25 June 2016.

The profit for the period, after taxation, amounted to £0.9m (2015 – £0.9m).

Key Performance Indicators

The company constantly monitors a number of key performance indicators to ensure optimal business performance and to track the progression of it's strategic goals. KPI's include:

Customer measures: footfall into stores, internet traffic, customer satisfaction, sales per visitor

Product measures: gross profit margins, stock holding, stock turnover, brand rankings

People measures: retention, net promoter scores

Financial measures: profitability, cashflow

Strategic Report
for the 52 week period ended 25 June 2016

Principal Risks and Uncertainties

Risk Management and Internal Controls

The Board has ultimate responsibility for risk management and internal control. For principal risks, sub-committees exist, namely Welfare (Health & Safety), Business Continuity, Steering (change governance).

The Board sets policies to manage risk and maintain internal control. These policies are implemented by the relevant internal department, and compliance is monitored by the Business Risk department.

PCI

The company takes card holder data protection seriously and actively manages this risk with the support of relevant partners and our acquirers. The company has retained it's compliant status in the Retail and Web channels.

Going Concern

The directors consider the company to have sufficient available funds for operations and planned expansions. Any debt finance is approved by the Board before it is taken on.

Foreign Exchange Risk

The company's operations expose it to exchange rate risk. This risk is managed by entering into forward contracts for up to 12 months in advance, as deemed appropriate by prevailing economic conditions at that time.

Approval

This strategic report was approved by order of the Board on 28th November 2016.



J Gold CBE
Director

Ann Summers Ltd
Report of the Directors

Directors

The directors of the company throughout the period were:

J Gold CBE
V Gold
J Boyle

Dividends

The company has not paid dividends to shareholders during the current or prior period.

Post Balance Sheet Events

There have been no post balance sheet events that affect these financial statements.

Employees

The company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. As such the company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by the applicant. Where existing employees become disabled, it is the company's policy to provide continuing employment under normal terms and conditions wherever practicable, and to provide training and career development and promotion wherever appropriate.

Involvement of company employees in relevant company matters is 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 on matters of concern to employees is given through information bulletins, the company intranet site and by regular briefings. These seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Report of the Directors

Auditor

All of the directors at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware if that information. The directors are not aware of any relevant audit information of which the company's auditor is unaware.

Approval

This Directors' Report was approved on 28th November 2016 and signed on its behalf.

A handwritten signature in black ink that reads "Jacqueline Gold". The signature is written in a cursive, flowing style.

J Gold CBE

Director

Statement of Directors' Responsibilities

Statement of 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 judgments 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; 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.

Independent Auditor's Report

Independent auditor's report to the members of Ann Summers Ltd

We have audited the financial statements of Ann Summers Ltd for the 52 week period ended 25 June 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 25 June 2016 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 Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report

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 2 December 2016

Ann Summers Ltd

Statement of Comprehensive Income
for the 52 week period ended 25 June 2016

		2016	2015
	Note	£	£
Turnover	1,3	101,542,868	104,818,310
Cost of sales		(34,079,951)	(36,695,129)
Gross profit		<u>67,462,917</u>	<u>68,123,181</u>
Selling and distribution expenses		(32,989,756)	(33,180,335)
Administrative expenses		(35,778,541)	(36,761,374)
Other operating income	4	2,131,263	2,179,650
Operating profit	5	<u>825,883</u>	<u>361,122</u>
Interest receivable and similar income	7	234,699	665,946
Interest payable and similar charges	8	(19,197)	(1,078)
Profit on ordinary activities before taxation		<u>1,041,385</u>	<u>1,025,990</u>
Tax charge on profit on ordinary activities	9	(155,978)	(156,314)
Profit for the financial period		<u>885,407</u>	<u>869,676</u>
Other comprehensive income		-	-
Total comprehensive income		<u><u>885,407</u></u>	<u><u>869,676</u></u>

All amounts relate to continuing operations.

There were no recognised changes in equity for 2016 or 2015 other than those included in the Statement of Comprehensive Income.

The notes on pages 13 to 28 form part of these financial statements.

Ann Summers Ltd

Balance Sheet
at 25 June 2016

		2016	2015
	Note	£	£
Fixed assets			
Intangible assets	10	1,978,719	2,611,568
Tangible assets	11	3,779,489	3,457,412
Investments	12	2,639	2,539
		<u>5,760,847</u>	<u>6,071,519</u>
Current assets			
Stocks	13	13,846,423	10,787,454
Debtors	14	39,840,008	41,152,012
Cash at bank and in hand		18,136,784	18,453,147
		<u>71,823,215</u>	<u>70,392,613</u>
Creditors: amounts falling due within one year	16	(25,038,277)	(24,637,534)
Net current assets		<u>46,784,938</u>	<u>45,755,079</u>
Total assets less current liabilities		<u>52,545,785</u>	<u>51,826,598</u>
Creditors: amounts falling due after more than one year	17	(1,601,247)	(996,296)
Provisions for liabilities and charges			
Other provisions	18	(2,214,323)	(2,985,494)
		<u>48,730,215</u>	<u>47,844,808</u>
Capital and reserves			
Called up share capital	19	500,000	500,000
Profit and loss account		48,230,215	47,344,808
Equity shareholders' funds		<u>48,730,215</u>	<u>47,844,808</u>

The financial statements were approved and authorised for issue by the Board of Directors on 28th November 2016.

Jacqueline Gold

J Gold CBE

Director

The notes on pages 13 to 28 form part of these financial statements.

Ann Summers Ltd

Statement of Changes in Equity

	Called up share capital £	Profit and loss account £	Total £
Balance at 28 June 2014	500,000	46,475,132	46,975,132
Profit for the period	-	869,676	869,676
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	869,676	869,676
At 27 June 2015	500,000	47,344,808	47,844,808

	Called up share capital £	Profit and loss account £	Total £
Balance at 27 June 2015	500,000	47,344,808	47,844,808
Profit for the period	-	885,407	885,407
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	885,407	885,407
At 25 June 2016	500,000	48,230,215	48,730,215

Reserves

Profit and loss account

This reserve represents cumulative profits and losses of the Company.

Notes forming part of the financial statements
for the 52 week period ended 25 June 2016

1 Accounting policies

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires company management to exercise judgement in applying the company's accounting policies.

1.1 Disclosure exemptions

The company has taken the following optional first time adoption exemptions available to it under FRS102:

- Lease incentives – the company has opted to continue to spread such lease incentives entered into before the date of transition to FRS 102, being 27th June 2015

The company has taken advantage of the following disclosure exemptions available in FRS 102 as a wholly owned subsidiary:

- Cashflow statement and related notes
- Key management personnel compensation
- Related party transactions for wholly owned subsidiaries

The following principal accounting policies have been applied:

1.2 Turnover

Turnover is recognised by the company when goods have been sold and despatched and is stated exclusive of VAT and trade discounts. The buyer's right to return is recognised by reducing turnover by an amount that is based on returns rate trends for the relevant sales channel.

1.3 Tangible fixed assets

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

Repairs and maintenance are charged to Statement of Comprehensive Income during the period in which they are incurred.

Notes forming part of the financial statements
for the 52 week period ended 25 June 2016

1.4 Intangible fixed assets

Intangible fixed assets that are acquired by the company are stated at historical cost less accumulated amortisation and any accumulated impairment losses.

1.5 Depreciation and amortisation

Depreciation on other assets is charged so as to allocate the cost of assets over their estimated useful lives, using the straight-line method, to their residual value. The estimated useful lives range as follows:

Store fixtures and fittings	-	9 years
Computer hardware and software	-	4 years
Website development costs	-	4 years
All other assets	-	4 years

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

Previously the company depreciated its store fixtures and fittings over a period of 4 years. During the year the directors reassessed the useful economic life of these assets to 9 years. This has resulted in a reduction in the depreciation charge for the period (as compared to the prior period). In addition, as a result of the company's strategic goals, the useful economic life of some computer hardware and software has been identified as being less than 4 years and so depreciation has been accelerated. The net effect on the Statement of Comprehensive Income of these adjustments is £805k.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

Depreciation and amortisation are both disclosed within selling and distribution costs in Statement of Comprehensive Income.

1.6 Impairment of fixed assets and goodwill

Assets that are subject to depreciation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

1.7 Investments

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

1.8 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is calculated using the first-in first-out method and consists of the purchase price, transport and handling costs. A provision is built over the life-cycle of a stock line and is written off once terminal. Stock is deemed terminal once no further sale of that items is expected.

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into the company's functional currency (sterling) at the rate of exchange prevailing at the balance sheet date.

Foreign currency transactions are translated into the company's functional currency (sterling) using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Notes forming part of the financial statements
for the 52 week period ended 25 June 2016

1.10 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

1.11 Leased assets

Rentals payable under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

Incentives received to enter into operating lease agreements are released to the Statement of Comprehensive Income over the term of the lease.

1.12 Pension costs

Contributions to the company's defined contribution pension scheme are charged to the Statement of Comprehensive Income in the period in which they become payable.

1.13 Holiday pay accrual

In the unusual event that there is any unused holiday pay entitlement accrued at the balance sheet date, a liability is recognised measured and accrued at the undiscounted salary cost of the future holiday entitlement at the balance sheet date.

1.14 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.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

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 and estimates are:

2.1 Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives which are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

2.2 Intangible Fixed Assets

Intangible fixed assets are depreciated over their useful lives which are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, and enhancement programmes are taken into account.

2.3 Onerous leases

Loss making stores are assessed annually in line with the company's property portfolio strategy to determine whether the lease is onerous. Provision is made when 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.

2.4 Dilapidations provision

This provision is made for the present value of the expected obligation to landlords at the end of a lease term. It is calculated using a dilapidations cost per square foot which is based upon historic dilapidation settlements with landlords at the end of a lease term. Where management are aware of other factors that alter this cost per square foot (for example known damages or exemption clauses), the provision will be adjusted for this.

The basis of this provision was changed in the year. Previously the assessment was based on a third party surveyor view which management now deem to be out of date. The net effect on the Statement of Comprehensive income for the period ended 25 June 2016 of this change is £857k.

Notes forming part of the financial statements
for the 52 week period ended 25 June 2016

2.5 Refund Provision

The customer's right to return goods is recognised through the refund provision which is calculated based upon current return rates multiplied by the value of sales in the relevant trading period. The provision is applied on a trading channel basis. Any change in the carrying value of the provision in the period is charged to the Statement of Comprehensive Income.

2.6 Terminal Stock Provision

It is expected that a small proportion of stock purchased will never be sold because of stock loss, damage or line fragmentation. The cost of this write off is built up over the life cycle of the stock line and charged to the Statement of Comprehensive Income on that basis. The provision is calculated using the purchase cost multiplied by the expected write off percentage using historic write off factors and future expectations.

Ann Summers Ltd

Notes forming part of the financial statements
for the 52 week period ended 25 June 2016

3 Turnover

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

Analysis of turnover by country of destination was:

	2016	2015
	£	£
United Kingdom	100,827,139	103,839,172
Rest of Europe	397,328	538,165
Rest of the world	318,401	440,973
	<u>101,542,868</u>	<u>104,818,310</u>

4 Other operating income

	2016	2015
	£	£
Sundry income	750,824	820,180
Weekly kit rental	154	114,669
Rents and service charges	21,786	27,375
Postage and courier income	1,358,499	1,217,426
	<u>2,131,263</u>	<u>2,179,650</u>

5 Operating profit

This is arrived at after charging/(crediting):

	2016	2015
	£	£
Amortisation of intangible fixed assets	1,382,484	1,274,892
Depreciation of tangible fixed assets	1,454,075	1,913,604
Fees payable to the company's auditor for audit services	33,000	33,000
Fees payable to the company's auditor for other services:		
Tax compliance	18,000	18,000
Other	14,065	9,838
Loss on disposal of tangible assets	4,560	4,040
Operating lease rentals	19,077,730	19,446,873
Charge/(write back) in relation to onerous lease provision	98,989	(947,797)
Stock recognised as an expense for losses and write-offs	<u>277,383</u>	<u>191,824</u>

Ann Summers Ltd

Notes forming part of the financial statements
for the 52 week period ended 25 June 2016

6 Employees

Staff costs consist of:

	2016	2015
	£	£
Wages and salaries	19,702,778	19,982,257
Social security costs	1,333,831	1,305,365
Other pension costs	188,562	150,323
	<u>21,225,171</u>	<u>21,437,945</u>

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

	2016	2015
	Number	Number
Distribution and retail staff	1,136	1,236
Administration staff	181	142
	<u>1,317</u>	<u>1,378</u>

A defined contribution pension scheme is operated by the company on behalf of the employees of the company. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £188,562 (2015- £150,323). The amount outstanding at the period end and included within other creditors was £22,691 (2015 - £22,107).

Ann Summers Ltd

Notes forming part of the financial statements
for the 52 week period ended 25 June 2016

7 Interest receivable and similar income

	2016	2015
	£	£
Interest receivable from group companies	103,314	102,973
Interest receivable from bank	84,314	107,353
Net foreign exchange gains	47,071	455,271
Other	-	349
	<u>234,699</u>	<u>665,946</u>

8 Interest payable and similar charges

	2016	2015
	£	£
Bank loans and overdrafts	739	930
Other interest payable	18,458	148
	<u>19,197</u>	<u>1,078</u>

Ann Summers Ltd

Notes forming part of the financial statements
for the 52 week period ended 25 June 2016

9 Taxation on profit on ordinary activities

	2016 £	2015 £
<i>UK Corporation Tax</i>		
Current tax on profits for the period	-	138,272
Group tax relief	-	3,625
Adjustments in respect of previous periods	8,625	-
	<u>8,625</u>	<u>141,897</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	<u>147,353</u>	<u>14,417</u>
Taxation on profit on ordinary activities	<u>155,978</u>	<u>156,314</u>

The tax assessed for the period is lower than (the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>1,041,385</u>	<u>1,025,990</u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20.00% (2015 – 20.75%)	208,277	212,893
Effects of:		
Expenses not deductible for tax purposes	52,102	57,381
Capital allowances less than depreciation	65,247	83,595
Capitalised revenue	(25,625)	(24,817)
Reverse lease premium adjustment	(29,918)	(27,992)
Lease premium adjustment	(326)	(482)
Relieved losses	8,652	-
Accounting loss on disposals	937	888
Group relief claimed but unpaid for	(275,368)	(91,056)
Bad debt provision	4,530	-
Capital income transferred	-	(62,250)
Provisions tax adjustment	117	(6,263)
Total tax charge for the period	<u>8,625</u>	<u>141,897</u>

There were no factors that may affect future tax charges.

Notes forming part of the financial statements
for the 52 week period ended 25 June 2016

10 Intangible Fixed Assets

	Website development £	Software £	Total £
Cost			
At 27 June 2015	4,538,499	2,308,647	6,847,146
Additions	425,852	323,783	749,635
Disposals	(982,820)	-	(982,820)
At 25 June 2016	3,981,531	2,632,430	6,613,961
Amortisation			
At 27 June 2015	2,814,659	1,420,919	4,235,578
Charge for the period	756,492	625,992	1,382,484
Eliminated on disposal	(982,820)	-	(982,820)
At 25 June 2016	2,588,331	2,046,911	4,635,242
Net book value			
At 25 June 2016	1,393,200	585,519	1,978,719
At 27 June 2015	1,723,840	887,728	2,611,568

11 Tangible Fixed Assets

	Short leasehold land and buildings £	Motor vehicles £	Fixtures, fittings and equipment £	Total £
Cost				
At 27 June 2015	269,923	39,583	29,277,788	29,587,294
Additions	-	76,900	1,703,936	1,780,836
Disposals	-	(36,275)	(1,560,818)	(1,597,093)
At 25 June 2016	269,923	80,208	29,420,906	29,771,037
Depreciation				
At 27 June 2015	266,530	36,681	25,826,671	26,129,882
Charge for the period	2,253	2,451	1,449,371	1,454,075
Eliminated on disposal	-	(36,274)	(1,556,135)	(1,592,409)
At 25 June 2016	268,783	2,858	25,719,907	25,991,548
Net book value				
At 25 June 2016	1,140	77,350	3,700,999	3,779,489
At 27 June 2015	3,392	2,902	3,451,118	3,457,412

Ann Summers Ltd

Notes forming part of the financial statements
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12 Fixed asset investments

	Investments in subsidiary companies
At 27 June 2015	2,539
Additions	100
At 25 June 2016	<u>2,639</u>

Subsidiary undertakings, associated undertakings and other investments

Name	Country of registration or incorporation	Proportion of voting rights and ordinary share capital held	Nature of Business
<i>Subsidiary undertakings</i>			
Ann Summers (Ireland) Limited	Republic of Ireland	100%	Party plan
Ann Summers S.L.	Spain	100%	Non-trading
Ann Summers Ireland (Retail) Ltd	Republic of Ireland	100%	Retail
Knickerbox (Ireland) Limited	Republic of Ireland	100%	Dormant

On 24 June 2016 the company acquired Ann Summers Ireland (Retail) Ltd for £100. There were no acquisitions in the previous year.

13 Stocks

	2016 £	2015 £
Finished goods and goods for resale	<u>13,846,423</u>	<u>10,787,454</u>

Notes forming part of the financial statements
for the 52 week period ended 25 June 2016

14 Debtors

	2016 £	2015 £
Trade debtors	495,014	1,760,432
Amounts owed by group undertakings	27,458,889	27,493,952
Other debtors	42,683	96,274
Prepayments and accrued income	10,647,808	10,622,475
Corporation tax	164,088	-
Deferred tax asset	1,031,526	1,178,879
	<u>39,840,008</u>	<u>41,152,012</u>

All amounts shown under debtors fall due within one year except the deferred tax asset.

15 Deferred tax asset

	2016 £	2015 £
At 27 June 2015	1,178,879	1,193,296
Released during the period	<u>(147,353)</u>	<u>(14,417)</u>
At 25 June 2016	<u>1,031,526</u>	<u>1,178,879</u>

The deferred tax asset is made up as follows:

Accelerated capital allowances	1,014,843	1,160,461
Other timing differences	<u>16,683</u>	<u>18,418</u>
Accelerated capital allowances	<u>1,031,526</u>	<u>1,178,879</u>

The net reversal of deferred tax assets expected in 2017 is nil. This is expected because depreciation is anticipated to be higher than the available capital allowances. However, other reversals or increases may arise as a result of other timing differences.

Ann Summers Ltd

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16 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	13,267,914	10,252,296
Amounts owed to group undertakings	4,949,864	5,643,419
Corporation tax	-	64,184
Social security and other taxes	1,536,855	1,652,315
Other creditors	2,463,303	3,979,900
Accruals and deferred income	2,820,341	3,045,420
	<u>25,038,277</u>	<u>24,637,534</u>

17 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Other creditors	<u>1,601,247</u>	<u>996,296</u>

18 Provisions for liabilities

	Dilapidations £	Onerous leases £	Total £
At 27 June 2015	1,995,376	990,118	2,985,494
Additions	15,400	-	15,400
Amounts used	(107,927)	-	(107,927)
Amounts charged	<u>(777,633)</u>	<u>98,989</u>	<u>(678,644)</u>
At 25 June 2016	<u>1,125,216</u>	<u>1,089,107</u>	<u>2,214,323</u>

Dilapidations provision is made for the present value of the expected obligation to landlords at the end of a lease term. It is calculated using a dilapidations cost per square foot which is based upon historic dilapidation settlements with landlords at the end of a lease term.

Onerous lease provision is made when it is considered that the unavoidable costs of meeting the lease contract for a store 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.

Ann Summers Ltd

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19 Share Capital

	2016 £	2015 £
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>

20 Commitments under operating leases

At 25 June 2016 the company had minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	16,035,851	16,838,082
Later than 1 year and not later than 5 years	39,173,105	46,746,663
Later than 5 years	13,565,897	16,282,902
	<u>68,774,853</u>	<u>79,867,647</u>

21 Ultimate parent undertaking and controlling party

At the period end the immediate and ultimate parent undertaking was GGI Holdings Limited, a company registered in England and Wales and for which consolidated financial statements are prepared. 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.

The financial statements of the ultimate parent undertaking can be obtain from Companies House.

The registered office of the ultimate parent undertaking is Gold Group House, Godstone Road, Whyteleafe, Surrey, CR3 0GG.

Notes forming part of the financial statements
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22 First time adoption of FRS102

	Note	Equity as at 27 June 2015	Profit for the period ended 25 June 2016	Equity as at 25 June 2016
As previously stated under former UK GAAP		47,844,808	953,021	48,797,829
Transitional Adjustments				
Lease incentives	a	-	(67,614)	(67,614)
Employee benefits	b	-	-	-
As stated in accordance with FRS 102		47,844,808	885,407	48,730,215

Explanation of changes to previously reported profit and equity:

a FRS 102 requires that the benefit of lease incentives received on entering into new leases be spread over the lease term. Under previous UK GAAP these incentives were spread over the period to the next market rent review or break clause. The company has taken the optional exemption available under FRS102 to continue to spread such lease incentives entered into before the date of transition to FRS 102, being 27 June 2015. However it has been necessary to change the period for those leases entered into during the period ended 25 June 2016. This has resulted in an increase in the rental expense and a reduction in the tax charge for the period ended 25 June 2016 and an increase in deferred income.

b FRS 102 requires that employee benefits are accrued into the period to which they relate. Under previous UK GAAP there was no such requirement. The company has changed its holiday entitlement policy in the period to 25 June 2016 so that employees are required to take all holiday within the financial year. However this policy was not in place in the period to 27 June 2015. The adjustment required is not deemed to be material, and so no adjustment has been made to the financial statements.