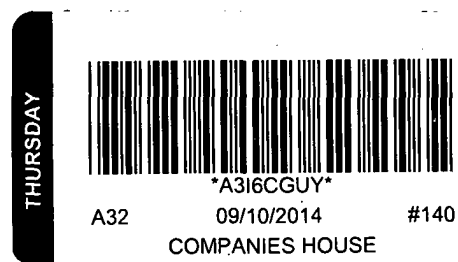


Richer Sounds Plc

REPORT AND FINANCIAL STATEMENTS

52 weeks ended
3 May 2014



Company Registration No. 01402643

Richer Sounds Plc

DIRECTORS AND OFFICERS

DIRECTORS

J Richer
D Robinson
J Currier

SECRETARY

J Currier

COMPANY REGISTRATION NUMBER

01402643

REGISTERED OFFICE

Richer House
Hankey Place
London SE1 4BB

AUDITOR

Baker Tilly UK Audit LLP
Statutory Auditors
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

Richer Sounds Plc

STRATEGIC REPORT

for the 52 weeks ended 3 May 2014

REVIEW OF BUSINESS

The principal activity of the company during the period was that of retailers of hi-fi, home cinema, flat panel TV and related equipment.

Turnover increased slightly by 0.9% on a like-for-like basis (2013 being a 53 week period) during the year, which together with the continued improvement in margins, resulted in a like-for-like increase in gross profit of 5.5%. This contributed to the improvement in Operating Profit from £6.9m to £7.8m, an increase of 14% and the highest Operating Profit ever achieved by the company in its 36 year history.

All continuing stores traded profitably after deducting all their trading expenses including interest, distribution and advertising.

As at 3rd May 2014 Richer Sounds traded from 52 wholly owned stores and one franchise in Northern Ireland.

KEY PERFORMANCE INDICATORS OF THE COMPANY

	2014 (52 weeks) £	2013 (53 weeks) £	2012 (52 weeks) £
Gross turnover (including VAT)	172,045,732	173,715,657	166,102,525
Gross margin (excluding VAT)	24.5%	23.4%	22.2%
Gross profit	35,068,000	33,890,000	30,765,000
Net profit on ordinary activities before profit sharing, directors' bonus, charities, exceptional items and tax	7,992,250	6,970,538	5,752,386
Net margin (excluding VAT)	5.6%	4.8%	4.2%
Gross sales per employee	348,271	368,823	361,092
Profit on ordinary activities per employee	16,179	14,799	12,505
Return on capital employed on ordinary activities before profit sharing, directors' bonus, charities, exceptional items and tax	36.6%	39.6%	41.4%
Earnings per share on ordinary activities before profit sharing, directors' bonus, charities, exceptional items and tax	159.85	139.41	115.05
Total taxes collected: PAYE, NIC, VAT, corporation tax	12,262,906	10,960,956	9,987,035

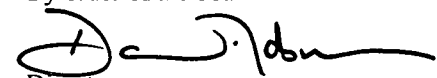
PRINCIPAL RISKS

The key business risks affecting the company are considered to relate to competition from national, independent and internet-based retailers.

MATTERS OF STRATEGIC IMPORTANCE

Our strategy continues to be to consolidate our position with the aim of making a profit by (1) working hard at giving our customers value for money and a service second to none and (2) looking after our colleagues.

By order of the board


 Director
 6th October 2014

Richer Sounds Plc

DIRECTORS' REPORT

The directors submit their report and the financial statements of Richer Sounds Plc for the 52 weeks ended 3 May 2014.

DIVIDENDS

There were no dividends paid in the year (2013: £Nil). In June 2014 an interim dividend for the 52 weeks ended 3 May 2014 of £7.5m was paid by the company.

DIRECTORS

The following directors have held office during the period:

J Richer
D Robinson
J Currier

THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

Qualifying third party indemnity provision is in place for the benefit of all directors of the company.

DISABLED COLLEAGUES

The company employs disabled colleagues and every effort is made to ensure that they are given full and fair consideration when suitable vacancies arise. There is a training scheme in operation so that colleagues who have been injured or disabled in the course of their employment can, where possible, continue in employment with the group.

COLLEAGUE INVOLVEMENT

The company encourages the involvement of its colleagues in its management through regular meetings between the colleagues and involving senior staff. The company also has an active suggestion scheme in place, where colleague suggestions are reviewed by senior management. A large number of these have been implemented in the past.

PAYMENT TO CREDITORS

It is the company's policy to negotiate payment terms with its suppliers and to ensure that they all know, when the business is agreed, the terms on which payment will take place. It is our policy to abide by these terms.

Creditor days, based on creditors at 3 May 2014 were 18 days (2013: 17 days).

CHARITABLE CONTRIBUTION

During the year the company made charitable donations of £886,755 (2013: £741,990) to various charities.

MARKET VALUE OF LAND AND BUILDINGS

The directors consider that the market value of land and buildings is significantly more than the value shown on the balance sheet, but they do not consider that there is any benefit to shareholders in the company paying for a professional valuation to quantify the difference.

Richer Sounds Plc

DIRECTORS' REPORT

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

The auditor, Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

In accordance with section 414c(ii) of the Companies Act 2006, included in the Strategic Report is the Review of Business, principal risks and uncertainties and key performance indicators. This information would have been required by section 7 of the 'large and medium' sized Companies and Group (Accounts and Reports) Regulations 2008 to be contained within the Directors Report.

By order of the board



J Currier
Secretary

6th October 2014

Richer Sounds Plc

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, Director's 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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. 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 to 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.

We have audited the financial statements on pages 7 to 20. 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 auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 5, 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.

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 website 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 3 May 2014 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.

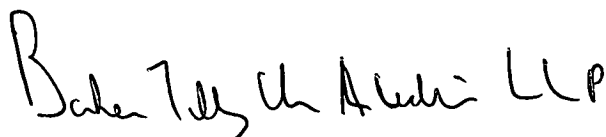
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and Strategic 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 by the company, 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.



HOWARD FREEDMAN (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

7/10/2014

Richer Sounds Plc
PROFIT AND LOSS ACCOUNT
for the 52 weeks ended 3 May 2014

	<i>Notes</i>	52 weeks to 3 May 2014 £000	53 weeks to 4 May 2013 £000
TURNOVER	1	143,371	144,763
Cost of sales		(108,303)	(110,873)
Gross profit		<u>35,068</u>	<u>33,890</u>
Other operating expenses (net)	2	(27,225)	(27,010)
OPERATING PROFIT BEFORE PROFIT SHARING, DIRECTORS' BONUS AND CHARITIES		<u>7,843</u>	<u>6,880</u>
Profit sharing, directors' bonus and charities		(2,236)	(1,899)
OPERATING PROFIT		<u>5,607</u>	<u>4,981</u>
Loss on disposal of fixed assets		(1)	(1)
Investment income	3	195	114
Interest payable	4	(45)	(22)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	<u>5,756</u>	<u>5,072</u>
Taxation	7	(1,521)	(1,357)
PROFIT FOR THE FINANCIAL PERIOD	16	<u><u>4,235</u></u>	<u><u>3,715</u></u>

The turnover and operating profit for the period arise from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been prepared as all such gains and losses have been dealt with in the profit and loss account.

Richer Sounds Plc

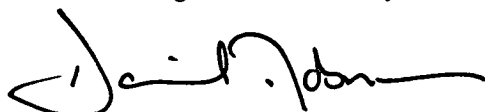
BALANCE SHEET

3 May 2014

Company Registration No. 01402643

	<i>Notes</i>	3 May 2014 £000	4 May 2013 £000
FIXED ASSETS			
Tangible assets	8	7,643	7,982
Investments	9	336	380
		<u>7,979</u>	<u>8,362</u>
CURRENT ASSETS			
Stocks	10	19,832	23,898
Debtors	11	17,726	3,933
Cash at bank and in hand		831	8,057
		<u>38,389</u>	<u>35,888</u>
CREDITORS: Amounts falling due within one year	12	(17,793)	(18,956)
NET CURRENT ASSETS		<u>20,596</u>	<u>16,932</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		28,575	25,294
CREDITORS: Amounts falling due after more than one year	13	(6,734)	(7,688)
NET ASSETS		<u>21,841</u>	<u>17,606</u>
CAPITAL AND RESERVES			
Called up share capital	14	50	50
Revaluation reserve	15	10	10
Profit and loss account	16	21,781	17,546
SHAREHOLDERS' FUNDS	17	<u>21,841</u>	<u>17,606</u>

The financial statements on pages 7 to 20 were approved by the board of directors and authorised for issue on 6th October 2014 and are signed on its behalf by:



D Robinson

Director

Richer Sounds Plc
CASH FLOW STATEMENT
for the 52 weeks ended 3 May 2014

	<i>Notes</i>	52 weeks to 3 May 2014 £000	53 weeks to 4 May 2013 £000
Cash outflow from operating activities	18a	(5,338)	(1,856)
Returns on investments and servicing of finance	18b	149	92
Taxation		(1,503)	(1,267)
Capital expenditure and financial investment	18c	(534)	(803)
DECREASE IN CASH IN THE PERIOD		<u>(7,226)</u>	<u>(3,834)</u>
 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN FUNDS			
		52 weeks to 3 May 2014 £000	53 weeks to 4 May 2013 £000
Decrease in cash in the period		(7,226)	(3,834)
MOVEMENT IN NET FUNDS IN PERIOD		<u>(7,226)</u>	<u>(3,834)</u>
NET FUNDS AT 4 MAY 2013		8,057	11,891
NET FUNDS AT 3 MAY 2014	18c	<u>831</u>	<u>8,057</u>

Richer Sounds Plc

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention modified to include the revaluation of properties and in accordance with applicable accounting standards.

In order to be consistent across all divisions, certain distribution costs that have previously been offset against the related income have been reclassified to other operating expenses. In order to aid comparability the prior period profit and loss account has been restated. A total of £425,000 has been reclassified from turnover to other operating expenses. There is no impact on operating profit from this restatement.

GROUP ACCOUNTS

The financial statements present information about the company as an individual undertaking and not about its group. The company has taken advantage of the exemption provided by Section 402 of the Companies Act 2006 not to prepare group accounts on the basis that its subsidiary undertakings are not material to the company.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Freehold buildings	1% per annum
Leasehold properties	over the term of the lease
Property improvements	20% per annum
Fixtures and equipment	20%-33% per annum

IMPAIRMENTS

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairments. Impairments of revalued assets, except those caused by a clear consumption of economic benefit, are recognised in the statement of total recognised gains and losses until the carrying amount reaches depreciated historic cost. All other impairment losses are recognised in the profit and loss account.

STOCKS

Stocks are valued on an average cost basis at the lower of cost and net realisable value. Net realisable value is based upon estimated selling price less further costs expected to be incurred to disposal. Provision is made for obsolete and slow-moving items.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Richer Sounds Plc

ACCOUNTING POLICIES

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

FOREIGN CURRENCY

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rates ruling at the date of the transactions. All differences are taken to the profit and loss account.

INVESTMENTS

Long term investments are classified as fixed assets. Short term investments are classified as current assets.

Unlisted investments and loan notes are stated at cost.

Provision is made for any impairment in the value of fixed asset investments.

PENSIONS CONTRIBUTIONS

The company operates a defined contribution pension scheme. Pension costs charged against profits represents the amounts payable to the scheme in respect of the period.

TURNOVER

Turnover represents the value, net of Value Added Tax, of goods sold and services provided to customers during the year. Revenue earned from customer support agreements is recognised as such over the life of the agreement by reference to the stage of completion of the transaction at the balance sheet date and included within deferred income.

GOING CONCERN

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on page 2. The company has adequate cash resources and funding together with a strong customer base and an excellent reputation within the sector. As a consequence, the Directors believe that the company is well placed to manage its business risks successfully.

The Directors have reviewed cash flow forecasts of the company and have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Richer Sounds Plc

NOTES TO THE FINANCIAL STATEMENTS

for the 52 weeks ended 3 May 2014

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit before taxation were all derived from its principal activity which arose entirely in the United Kingdom.

2	OTHER OPERATING EXPENSES (NET)	52 weeks to 3 May 2014 £000	53 weeks to 4 May 2013 £000
	Distribution costs	13,664	13,763
	Administration expenses	13,776	13,518
	Other operating income	(215)	(271)
		<u>27,225</u>	<u>27,010</u>

3 INVESTMENT INCOME

	52 weeks to 3 May 2014 £000	53 weeks to 4 May 2013 £000
Bank interest	16	19
Other interest receivable and similar income	179	95
	<u>195</u>	<u>114</u>

4 INTEREST PAYABLE

	52 weeks to 3 May 2014 £000	53 weeks to 4 May 2013 £000
On bank loans and overdrafts	3	2
Other interest	42	20
	<u>45</u>	<u>22</u>

5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	52 weeks to 3 May 2014 £000	53 weeks to 4 May 2013 £000
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation and amounts written off tangible fixed assets:		
Charge for the period:		
Owned assets	873	1,037
Loss on disposal of fixed assets	1	1
Provision for diminution in fixed asset investment	44	46
Foreign exchange losses/(gains)	1	(1)
Operating lease rentals:		
Land and buildings	1,845	1,916
Other	890	853
Auditor's remuneration - audit	47	47
- tax services	24	16
- other general advice	116	117
Net rental income	(192)	(261)

Richer Sounds Plc
NOTES TO THE FINANCIAL STATEMENTS
for the 52 weeks ended 3 May 2014

6	EMPLOYEES	52 weeks to 3 May 2014 No	53 weeks to 4 May 2013 No
	The average monthly number of persons (including directors) employed by the company during the period was:		
	Office and management	94	90
	Retailing and warehousing	400	381
		<u>494</u>	<u>471</u>
		<u><u>494</u></u>	<u><u>471</u></u>
		52 weeks to 3 May 2014 £000	53 weeks to 4 May 2013 £000
	Staff costs for the above persons:		
	Wages and salaries	12,845	12,051
	Social security costs	1,297	1,255
	Other pension costs	48	11
		<u>14,190</u>	<u>13,317</u>
		<u><u>14,190</u></u>	<u><u>13,317</u></u>
		52 weeks to 3 May 2014 £000	53 weeks to 4 May 2013 £000
	DIRECTORS' REMUNERATION		
	Emoluments	633	599
		<u>633</u>	<u>599</u>
		<u><u>633</u></u>	<u><u>599</u></u>
	Emoluments in respect of the highest paid director amounted to:		
	Remuneration	282	283
		<u>282</u>	<u>283</u>
		<u><u>282</u></u>	<u><u>283</u></u>

No directors are accruing benefits under a money purchase pension scheme (2013: none).

Richer Sounds Plc

NOTES TO THE FINANCIAL STATEMENTS for the 52 weeks ended 3 May 2014

7	TAXATION	52 weeks to 3 May 2014 £000	53 weeks to 4 May 2013 £000
	Current tax:		
	UK corporation tax on profits of the period	1,429	1,365
	Adjustments in respect of previous periods	64	12
	Total current tax	<u>1,493</u>	<u>1,377</u>
	Deferred taxation:		
	Origination and reversal of timing differences	28	(20)
	Tax on profit on ordinary activities	<u>1,521</u>	<u>1,357</u>
		<u><u>1,521</u></u>	<u><u>1,357</u></u>
	Factors affecting tax charge for period:	52 weeks to 3 May 2014 £000	53 weeks to 4 May 2013 £000
	The tax assessed for the period is higher than the average standard rate of corporation tax in the UK 22.84% (2013: 23.92%). The differences are explained below:		
	Profit on ordinary activities before tax	<u>5,756</u>	<u>5,072</u>
	Profit on ordinary activities multiplied by average standard rate of corporation tax in the UK of •% (2013: 23.92%)	1,315	1,213
	Effects of:		
	Expenses not deductible for tax purposes	36	13
	Depreciation in excess of capital allowances	69	116
	Income not taxable for tax purposes	(6)	-
	Adjustment to tax charge in respect of previous periods	64	12
	Other timing differences	15	23
	Tax charge for period	<u>1,493</u>	<u>1,377</u>
		<u><u>1,493</u></u>	<u><u>1,377</u></u>

Richer Sounds Plc

NOTES TO THE FINANCIAL STATEMENTS

for the 52 weeks ended 3 May 2014

8 TANGIBLE FIXED ASSETS	<i>Freehold properties £000</i>	<i>Leasehold properties £000</i>	<i>Property improve- ments £000</i>	<i>Fixtures and equipment £000</i>	<i>Total £000</i>
Cost or valuation					
5 May 2013	5,914	985	5,087	2,607	14,593
Additions	-	9	233	292	534
Disposals	-	-	(24)	(837)	(861)
3 May 2014	<u>5,914</u>	<u>994</u>	<u>5,296</u>	<u>2,062</u>	<u>14,266</u>
Depreciation					
5 May 2013	441	330	4,305	1,535	6,611
Charged in the year	59	19	333	462	873
Disposals	-	-	(24)	(837)	(861)
3 May 2014	<u>500</u>	<u>349</u>	<u>4,614</u>	<u>1,160</u>	<u>6,623</u>
Net book value					
3 May 2014	<u>5,414</u>	<u>645</u>	<u>682</u>	<u>902</u>	<u>7,643</u>
4 May 2013	<u>5,473</u>	<u>655</u>	<u>782</u>	<u>1,072</u>	<u>7,982</u>
Cost or valuation					
At 3 May 2014					
is represented by:					
Revaluation in 1988	10	-	-	-	10
Cost	5,904	994	5,296	2,062	14,256
	<u>5,914</u>	<u>994</u>	<u>5,296</u>	<u>2,062</u>	<u>14,266</u>

The net book value of the company's leasehold land and buildings includes £514,000 (2013: £525,000) in respect of long leasehold and £131,000 (2013: £130,000) in respect of short leasehold premises.

Freehold properties include properties with an historic cost of £50,000 (2013: £50,000). The net book value of which would be £43,180 (2013: £43,680) had no revaluation taken place.

Charges exist over certain freehold property in relation to the company's banking facilities.

Richer Sounds Plc

NOTES TO THE FINANCIAL STATEMENTS for the 52 weeks ended 3 May 2014

9 FIXED ASSET INVESTMENTS

	Other investments			Total £000
	Unlisted investment £000	Loan notes £000	Subsidiary undertakings £000	
Cost:				
4 May 2013 and 3 May 2014	80	990	12	1,082
Provision for diminution in value				
4 May 2013	80	610	12	702
Charge for the period	-	44	-	44
3 May 2014	80	654	12	746
Net book value:				
3 May 2014	-	336	-	336
4 May 2013	-	380	-	380

The company holds more than 20% of the equity of the following companies:

Name of company	Holding (ordinary shares of £1 each)	Proportion held	Nature of business
Richer Sounds International Limited	1	100%	Dormant
Ariston Acoustics Limited	2	100%	Dormant
Hi-fi Direct Limited	2	100%	Dormant
RS Holland BV	400 ordinary shares of NLG 100.00 each	100%	Dormant

All the above companies are incorporated in England and Wales except for RS Holland BV, which is incorporated in Netherlands.

The above companies are not consolidated on the grounds of materiality.

10 STOCKS	3 May 2014 £000	4 May 2013 £000
Goods for resale	19,832	23,898

Richer Sounds Plc

NOTES TO THE FINANCIAL STATEMENTS for the 52 weeks ended 3 May 2014

11	DEBTORS	3 May 2014 £000	4 May 2013 £000
	Trade debtors	2,332	469
	Other debtors	13,303	1,496
	Prepayments	2,014	1,863
		<u>17,649</u>	<u>3,828</u>
	Due in more than one year		
	Deferred tax asset	77	105
		<u>17,726</u>	<u>3,933</u>
			Deferred tax £000
	At 4 May 2013		105
	Transfer to profit and loss account		(28)
	At 3 May 2014		<u>77</u>
		3 May 2014 £000	4 May 2013 £000
	Excess depreciation over capital allowances	(11)	19
	Other timing differences	88	86
		<u>77</u>	<u>105</u>
12	CREDITORS: Amounts falling due within one year		
	Trade creditors	5,804	7,223
	Corporation tax	835	845
	Other taxation and social security costs	2,945	2,078
	Other creditors	1,314	1,418
	Accruals and deferred income	6,895	7,392
		<u>17,793</u>	<u>18,956</u>
13	CREDITORS: Amounts falling due in more than one year		
	Deferred income	6,734	7,688

Richer Sounds Plc

NOTES TO THE FINANCIAL STATEMENTS

for the 52 weeks ended 3 May 2014

14	SHARE CAPITAL	3 May 2014 £000	4 May 2013 £000
	Allotted, issued and fully paid: 50,000 ordinary shares of £1 each	50	50
15	REVALUATION RESERVE	3 May 2014 £000	4 May 2013 £000
	4 May 2013 and 3 May 2014	10	10
16	PROFIT AND LOSS ACCOUNT	4 May 2014 £000	4 May 2013 £000
	4 May 2013	17,546	13,831
	Profit for the financial period	4,235	3,715
	3 May 2014	21,781	17,546
	In June 2014 a dividend of £7.5m was paid by the company.		
17	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	3 May 2014 £000	4 May 2013 £000
	Opening shareholders' funds	17,606	13,891
	Profit for the financial period	4,235	3,715
	Closing shareholders' funds	21,841	17,606
18	CASH FLOWS	3 May 2014 £000	4 May 2013 £000
a	Reconciliation of operating profit to net cash inflow from operating activities		
	Operating profit	5,607	4,981
	Depreciation	874	1,037
	Impairment of fixed asset investment	44	46
	Decrease/(increase) in stocks	4,066	(4,786)
	Increase in debtors	(13,822)	(621)
	Decrease in creditors	(2,107)	(2,513)
	Net cash flow from operating activities	(5,338)	(1,856)

Richer Sounds Plc

NOTES TO THE FINANCIAL STATEMENTS for the 52 weeks ended 3 May 2014

18	CASH FLOWS CONTINUED	3 May 2014 £000	4 May 2013 £000
b	Analysis of cash flows for headings netted in the cash flow		
	Returns on investments and servicing of finance		
	Interest received	194	114
	Interest paid	(45)	(22)
	Net cash inflow for returns on investment and servicing of income	<u>149</u>	<u>92</u>
	Capital expenditure and financial investment		
	Purchase of tangible fixed assets	(534)	(804)
	Proceeds from disposal of tangible fixed assets	-	1
	Net cash outflow for capital expenditure and financial investment	<u>(534)</u>	<u>(803)</u>
c	Analysis of net funds	At 4 May 2013 £'000	At 3 May 2014 £'000
	Cash in hand, at bank	<u>8,057</u>	<u>(7,226)</u>

19 COMMITMENTS UNDER OPERATING LEASES

At 3 May 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	3 May 2014 £000	4 May 2013 £000	3 May 2014 £000	4 May 2013 £000
expiring in the first year	275	330	-	881
expiring in the second to fifth years	97	139	905	-
expiring after five years	1,486	1,389	-	-
	<u>1,858</u>	<u>1,858</u>	<u>905</u>	<u>881</u>

20 CONTINGENT LIABILITY

The company has guaranteed the bank borrowings of Audio Partnership Plc, a company in which J Richer has a substantial interest, to a maximum amount of £800,000 (2013: £800,000). At 3 May 2014, the amount of those borrowings was £589,565 (2013: £Nil). The directors do not anticipate that this guarantee will be called upon.

Richer Sounds Plc

NOTES TO THE FINANCIAL STATEMENTS

for the 52 weeks ended 3 May 2014

21 PENSION COMMITMENTS

The company operates a defined contribution pension scheme whose assets are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company and amounted to £48,000 (2013: £12,000).

22 RELATED PARTY TRANSACTIONS

Name of party	Relationship	Description of transaction	Value of transactions in the period		Balance at period end	
			2014 £'000	2013 £'000	2014 £'000	2013 £'000
Audio Partnership Plc	J Richer is a shareholder	Sales/management charges	214	187	43	105
		Purchases	(7,136)	(6,370)	-	(36)
		Loans	(1,300)	-	(1,000)	-
		Interest payable	(12)	-	(12)	-
JR Properties	J Richer is the owner	Rent payable	1,406	1,355	-	-
		Loans to/(by)	11,549	75	11,713	(357)
		Interest receivable	72	-	72	-
Persula Foundation	Registered charity of which certain directors are trustees	Donation	887	741	-	-
		Sales	10	18	2	12
J Richer	Director/Owner	Loan	748	33	(74)	(822)
		Interest payable	(31)	(20)	-	-
L3 Developments Ltd	Common directors and J Richer is a shareholder	Loan to	(511)	148	-	511
		Interest receivable	-	29	-	40
Gallery Court Limited	Common directors and J Richer is a shareholder	Sales/management charges	29	14	8	2
		Loans to	963	480	1,443	480
		Interest receivable	47	6	53	6
JR Publishing and Media	J Richer is the owner	Recharge of expenses	97	-	-	-
ASB Help	Registered charity of which certain directors are trustees	Recharge of expenses	15	-	1	-

The amounts due to the company by JR Properties are charged interest at the official HMRC interest rate. Subsequent to the year end the balance was repaid in full. The amount outstanding at the year end was the maximum outstanding during the year.

The controlling party of the company is J Richer.