

# Agent Provocateur Limited

(Registered Number: 2896508)

**Annual Report and Financial statements  
For the 52 week period ended 29 March 2014**

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# **Agent Provocateur Limited** **for the 52 week period ended 29 March 2014**

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**Agent Provocateur Limited**  
**for the 52 week period ended 29 March 2014**

**Company Information**

Directors	G Hogarth K Wilks
Company number	2896508
Registered office	154 Clerkenwell Road London United Kingdom EC1R 5AB
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH
Bankers	Barclays Bank Plc 1 Churchill Place London E14 5HP

# **Agent Provocateur Limited**

## **for the 52 week period ended 29 March 2014**

### **Strategic report**

The Directors present their strategic report and audited consolidated financial statements of the company for the 52 week period ended 29 March 2014.

### **Principal activities**

The principal activity of the Group continues to be that of the sale of women's luxury lingerie.

### **Results and dividends**

The profit for the period after taxation amounted to £4,673,000 (2013: profit £2,639,000). No dividends have been paid or proposed in the period (2013: nil).

### **Review of the business**

For the Group's trading companies, the period was again a very successful one with top line revenue growth of 36% and EBITDA growth of 56%. Revenue growth was once again achieved through a combination of positive like-for-like trading in existing boutiques and the addition of new boutiques globally, as well as strong growth online with ecommerce growing by over 30%. The Directors believe the Group is in a position to continue enjoying material improvements in both turnover and profitability as the business continues its growth and global expansion.

The Group made an EBITDA (earnings before interest, tax, depreciation and amortisation and before exceptional costs) of £9,657,000 for the period ended 29 March 2014 on a turnover of £53,060,000. The Group made an EBITDA of £6,210,000 for the period ended 30 March 2013 on a turnover of £39,042,000.

The period saw a very strong performance from the retail stores, with like-for-like sales ahead of the previous period by 7% on a constant FX basis (2013: increase of 7%), and sales performing ahead of the prior period in all territories around the world.

New retail boutiques were opened in Paris (3 stores), Cannes, Strasbourg, Toronto, Shanghai, Beijing, Mexico City, Atlanta, Perth and Brisbane with additional boutiques opened in Chengdu, Los Angeles, San Francisco, Las Vegas, New York, Toronto, Berlin, Macau, Sydney (2 stores), Melbourne, Beijing and Adelaide since the balance sheet date. New boutiques in Long Island, Dallas, New Jersey are on track to open late 2014 and early 2015. Also, new franchise stores opened in Moscow, Antwerp, Bucharest, Kuala Lumpur, Jakarta and Almaty with further openings in St Petersburg, Istanbul and Seoul since the balance sheet date. These openings bring the total number of Agent Provocateur boutiques worldwide to 100 at the current time with a future pipeline for further DOS and franchise boutiques into 2015/16 and beyond.

During 2014 the new Agent Provocateur fragrance, "Fatale", has been launched in UK and US (exclusively with Saks) and is also being rolled out in other global territories such as Russia, Europe and South America in Autumn 2014 and Spring 2015.

The diffusion range, L'Agent, designed in collaboration with Penelope and Monica Cruz, was launched successfully in 2013/14 with distribution in premium department stores and with online specialists such as Net-a-Porter. Two directly owned stores will open in New York and Los Angeles before Christmas, and an in-house online site (lagentbyap.com) was launched successfully in September and will propel future growth.

# **Agent Provocateur Limited for the 52 week period ended 29 March 2014**

## **Strategic report (continued)**

### **Review of the business (continued)**

The directors continue to deliver their strategic growth plan for the expansion of the business both in the UK and internationally, with a significant forward pipeline of opportunities to increase the number of stores worldwide and additional product ranges and categories to underpin the growth of the brand.

Whilst the global economic outlook still remains unsettled, particularly in Europe, the directors are satisfied that the business is in a very robust position to move forward.

### **Principal risks and uncertainties**

The principal risks and uncertainties facing the company relate to the underlying performance of its investments, these are addressed in the individual financial statements of these companies.

### **Financial risk management**

The Group's operations expose it to a variety of financial risks that include the effects of credit risk, liquidity risk and interest rate risk. The Group seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of cash holdings, debt finance and the related finance costs.

These risks, as detailed below, are managed at the Pearl (AP) Group Limited level.

Given the size of the Group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

#### *Credit risk*

The majority of revenue earned by the Group is received in cash or through credit card payments which in the opinion of the Directors represent a very low credit risk. Where sales are made through concessionaires, franchisors or distributors credit checks are undertaken to help the business understand the risk. Where the Directors have been unable to gain comfort over the credit risk, payment is required to be made in advance.

#### *Liquidity risk*

The company's funding is provided by its parent company, Pearl (AP) Group Limited. It has some short term facilities that are in place to ensure the company has sufficient available funds for operations and planned expansions.

#### *Interest rate cash flow risk*

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets comprise of only cash balances, all of which earn interest at floating rate. The company's short term facilities attract interest at a floating rate.

# **Agent Provocateur Limited**

## **for the 52 week period ended 29 March 2014**

### **Strategic report (continued)**

#### **Key Performance Indicators 'KPIs'**

The business is managed at the Pearl (AP) Group level. The KPIs used to manage the business are described below:

The Directors use various measures to assess the performance of the business at a store level and for the overall business the most significant are changes in like-for-like sales and EBITDA. Like-for-like sales changes reflect the change in sales recorded in the same stores on a year-on-year basis. The measure which, in the opinion of the Directors, gives the best indication of the business' performance is EBITDA and will normally exclude the effect of exceptional or one-off items. This has been highlighted in the Pearl (AP) Group Limited financial statements and will be measured on a consistent basis in future periods.

# **Agent Provocateur Limited**

## **for the 52 week period ended 29 March 2014**

### **Directors' report**

The Directors present their report and audited consolidated financial statements of the company for the 52 week period ended 29 March 2014.

#### **Directors**

The Directors who served during the period and up to the date of approval of the financial statements were:

G. Hogarth  
K Wilks

#### **Future developments**

The company continues to pursue new opportunities in the UK and overseas, with plans to open both directly-owned boutiques in key markets and also franchise stores in strategic markets. The company continues with its development of the transactional website and trading remains very buoyant with significant growth globally. The company is working with distributors to extend its offer into additional product areas which are complimentary to its core range and utilise the strength of the company's brand.

#### **Employment of disabled persons**

Agent Provocateur Limited is an equal opportunity employer. Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

#### **Dividends**

The directors do not recommend a dividend in the period (2013: nil).

#### **Charitable contributions**

During the period the company made no political and £45,000 charitable donations (2013: political £nil and charitable £nil).

#### **Going concern**

The Directors, having taken account of the company's net cash resources and bank facilities and consider that the company have adequate resources to continue as a going concern for the foreseeable future and at least 12 months from the date of signing these financial statements. Therefore it is appropriate to adopt the going concern basis in preparing financial statements.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

# **Agent Provocateur Limited**

## **for the 52 week period ended 29 March 2014**

### **Directors' report (continued)**

#### **Statement of directors' responsibilities (continued)**

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **Disclosure of information to auditors**

So far as the Directors are aware, there is no relevant audit information, being information required by the preparation of the auditors' report, of which the auditors are unaware. Having made enquiries of fellow Directors and the group auditors, each Director has taken all steps that he is obliged to take as a Director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

On behalf of the Board

K Wilks  
**Director**

19 December 2014



## **Agent Provocateur Limited**

# ***Independent auditors' report to the members of Agent Provocateur Limited***

## **Report on the financial statements**

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### **Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 29 March 2014 and of the group's 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.

This opinion is to be read in the context of what we say in the remainder of this report.

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### **What we have audited**

The group financial statements and parent company financial statements (the "financial statements"), which are prepared by Agent Provocateur Limited, comprise:

- the group and parent company balance sheets as at 29 March 2014;
- the Consolidated statement of total recognised gains and losses for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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## **Opinion on other matter prescribed by the Companies Act 2006**

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In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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## Other matters on which we are required to report by exception

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### Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

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### Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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## Responsibilities for the financial statements and the audit


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### Our responsibilities and those of the directors

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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



John Ellis (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
19 December 2014

**Agent Provocateur Limited**  
**for the 52 week period ended 29 March 2014**

**Consolidated profit and loss account**

	<i>Notes</i>	2014 £'000	2013 £'000
<b>Turnover</b>	2	<b>53,060</b>	39,042
<b>Cost of sales</b>		<b>(15,788)</b>	(10,984)
<b>Gross profit</b>		<b>37,272</b>	28,058
<b>Administrative expenses</b>		<b>(30,472)</b>	(23,938)
<b>Operating profit</b>	3	<b>6,800</b>	4,120
<b>Operating profit analysed as:</b>			
Earnings before interest, tax, depreciation and amortisation ("EBITDA")		9,657	6,210
Exceptional items	5	(68)	(15)
Depreciation	11	(2,477)	(1,869)
Amortisation	10	(312)	(206)
Interest receivable and similar income		-	-
Interest payable and similar charges	7	(566)	(323)
<b>Profit on ordinary activities before taxation</b>		<b>6,234</b>	3,797
<b>Tax charge on profit on ordinary activities</b>	8	<b>(1,561)</b>	(1,158)
<b>Profit for the financial period</b>	19	<b>4,673</b>	2,639

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There is no material difference between the profit on ordinary activities before taxation and the profit for the period stated above and their historical cost equivalents.

**Consolidated statement of total recognised gains and losses**  
**For the 52 week period ended 29 March 2014**

	2014 £'000	2013 £'000
<b>Profit for the period</b>	<b>4,673</b>	2,639
Exchange adjustments on retranslation of net assets of subsidiary undertakings	(455)	(5)
<b>Total recognised gains for the period</b>	<b>4,218</b>	2,634

**Agent Provocateur Limited**  
**for the 52 week period ended 29 March 2014**

**Balance sheets as at 29 March 2014**

	<i>Notes</i>	<b>Group 2014 £'000</b>	<b>Company 2014 £'000</b>	<b>Group 2013 £'000</b>	<b>Company 2013 £'000</b>
<b>Fixed assets</b>					
Intangible assets	<i>10</i>	3,680	1,070	2,445	1,071
Tangible assets	<i>11</i>	9,049	3,314	6,482	2,683
Investments	<i>12</i>	-	948	-	948
		<b>12,729</b>	<b>5,332</b>	<b>8,927</b>	<b>4,702</b>
<b>Current assets</b>					
Stocks	<i>13</i>	12,485	12,485	8,338	8,338
Debtors	<i>14</i>	9,729	16,944	6,960	9,275
Cash at bank and in hand		4,190	3,393	717	151
		<b>26,404</b>	<b>32,822</b>	<b>16,015</b>	<b>17,764</b>
<b>Creditors: Amounts falling due within one year</b>	<i>15</i>	<b>(8,641)</b>	<b>(5,990)</b>	<b>(4,522)</b>	<b>(2,605)</b>
<b>Net current assets</b>		<b>17,763</b>	<b>26,832</b>	<b>11,493</b>	<b>15,159</b>
<b>Total assets less current liabilities</b>		<b>30,492</b>	<b>32,164</b>	<b>20,420</b>	<b>19,861</b>
<b>Creditors: Amounts falling due after more than one year</b>	<i>16</i>	<b>(21,447)</b>	<b>(21,093)</b>	<b>(15,593)</b>	<b>(12,972)</b>
<b>Net assets</b>		<b>9,045</b>	<b>11,071</b>	<b>4,827</b>	<b>6,889</b>
<b>Capital and reserves</b>					
Called up share capital	<i>18</i>	102	102	102	102
Share premium account	<i>19</i>	313	313	313	313
Profit and loss account	<i>19</i>	8,630	10,656	4,412	6,474
<b>Total shareholders' funds</b>		<b>9,045</b>	<b>11,071</b>	<b>4,827</b>	<b>6,889</b>

The notes on pages 11 to 25 form part of the financial statements.

The financial statements were approved by the Board on 19 December 2014 and signed on its behalf by:

K Wilks  
 Director

Agent Provocateur Limited (Registered Number: 2896508)

# **Agent Provocateur Limited**

## **for the 52 week period ended 29 March 2014**

### **Notes to the financial statements**

#### **1 Accounting policies**

##### **Basis of preparation**

These financial statements are prepared on a going concern basis under the historical cost convention and in accordance with applicable United Kingdom accounting standards and Companies Act 2006. The accounting policies have been applied consistently in the current and preceding period and throughout the group.

Agent Provocateur Limited is a wholly owned subsidiary of Pearl (AP) Group Limited, a company incorporated in the United Kingdom, which produces a consolidated cash flow statement in accordance with Financial Reporting Standard 1 (FRS 1) revised 1996. Consequently the company has taken advantage of the exemption in FRS 1 revised 1996, from producing a cash flow statement in these financial statements.

The company is also exempt under the terms of Financial Reporting Standard 8 (FRS 8) from disclosing related party transactions with other group companies, on the grounds that 100% of the voting rights in the company are controlled within the group and the company is included in consolidated financial statements prepared by the group.

##### **Basis of consolidation**

The consolidated financial statements incorporate the results of Pearl (AP) Group Limited and all of its subsidiary undertakings drawn up to 29 March using the acquisition method of accounting. The results of subsidiary undertakings are included from the date of acquisition. Intragroup sales and profits are eliminated fully on consolidation.

The profits of overseas subsidiary undertakings are translated at the weighted average of month end exchange rates. The closing balance sheets of overseas subsidiary undertakings and foreign currency assets and liabilities are translated at period end exchange rates. Exchange differences arising from the restatement of opening balance sheets and profits for the period of overseas undertakings to closing exchange rates are dealt with through reserves.

##### **Goodwill**

Goodwill arising on an acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the identifiable assets and liabilities acquired. It is capitalised and amortised through the profit and loss account over the Directors' estimate of its useful economic life. Impairment tests on the carrying value of goodwill are undertaken:

- at the end of the first full financial period following acquisition; and
- in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Provision is made for any impairment. Goodwill is amortised over 20 years.

Fair value accounting adjustments are made in respect of acquisitions. In the year of acquisition, some adjustments are made using provisional estimates, based on information available at the time the financial statements are prepared, and amendments are sometimes necessary in the following accounting period, with a corresponding adjustment to goodwill, when the information necessary to determine these estimates is available.

# **Agent Provocateur Limited**

## **for the 52 week period ended 29 March 2014**

### **Notes to the financial statements (continued)**

#### **Goodwill (continued)**

Professional fees arising in respect of the acquisition of a subsidiary undertaking are capitalised as part of goodwill and amortised through the profit and loss account over a period consistent with the treatment of the underlying goodwill arising on that acquisition.

#### **Turnover**

##### *Sale of goods*

Turnover represents the invoiced value of goods sold net of applicable sales tax. Revenue is recognised as follows:

- (a) retail customers - when goods are paid for in a retail store;
- (b) franchisors, distributors and ecommerce customers - when goods are despatched to the customer

##### *Royalties*

Royalty revenue is recognised when a royalty is earned by the distributor. Royalties are principally earned in connection with the distribution of Agent Provocateur perfume.

#### **Franchise and trademark costs**

Franchise costs are amortised over a 4 year period straight line.

Trademark costs are amortised over a 10 year period straight line.

#### **Key money**

Key money payments on properties in certain European countries are recorded as Intangible Fixed Assets, as these amounts represent the right to occupy the underlying properties and the ongoing benefits associated with this right. These amounts are likely to be recovered from a future successor tenant if we decide to vacate the properties. Key money is amortised on a straight line basis over 50 years. Where the directors believe that the recoverable amount is equal to the key money paid, no amortisation is charged.

#### **Tangible fixed assets and depreciation**

Fixed assets are recorded at cost less accumulated depreciation for permanent diminution in value. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Useful lives are as follows:

Leasehold improvements	Over the life of the lease
Website development	1 to 4 years
Fixtures, fittings and equipment	4 years
Motor vehicles	4 years

# **Agent Provocateur Limited**

## **for the 52 week period ended 29 March 2014**

### **Notes to the financial statements (continued)**

#### **Leasing and hire purchase commitments**

Assets held under finance leases and hire purchase contracts are treated as if they had been purchased outright at the present value of the rentals payable, less finance charges, over the primary period of the agreements. The corresponding obligations under these agreements are included in creditors. The finance element of the rentals payable is charged to the profit and loss account so as to produce a constant rate of charge on the outstanding balance in each period.

Rental payments under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

#### **Investments**

Fixed asset investments are stated at cost less any provision for permanent diminution in value.

#### **Stocks**

Stock is stated at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

#### **Deferred taxation**

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law.

Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### **Foreign currency translation**

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction.

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

# Agent Provocateur Limited

## for the 52 week period ended 29 March 2014

### Notes to the financial statements (continued)

## 2 Turnover

### Geographical market

Turnover is derived from the Group's principal activity. Turnover is split geographically by destination as follows:

	2014 £'000	2013 £'000
UK	22,192	16,180
USA	14,585	11,719
Other countries	16,283	11,143
	<b>53,060</b>	<b>39,042</b>

Turnover by origin is not materially different from the split above.

## 3 Operating profit

	2014 £'000	2013 £'000
Operating profit is stated after charging:		
Amortisation of intangible fixed assets	312	206
Depreciation of owned tangible fixed assets	2,473	1,866
Depreciation of tangible fixed assets held under finance leases and hire purchase contracts	4	3
Operating lease rentals		
- plant and machinery	-	23
- other assets	4,360	3,994
<i>Auditors' remuneration</i>		
Audit services	62	63
Non-audit services	14	20

Audit fees for the Company included in the above amounted to £45,000 (2013: £45,000).

## 4 Directors' emoluments

	2014 £'000	2013 £'000
Aggregate emoluments	445	390

There are no retirement benefits accruing to directors under defined contribution schemes (2013: £nil).

Emoluments disclosed above include the following amounts paid to the highest paid Director:

	2014 £'000	2013 £'000
Aggregate emoluments	264	231



**Agent Provocateur Limited**  
**for the 52 week period ended 29 March 2014**

**Notes to the financial statements (continued)**

**5 Exceptional items**

	2014 £'000	2013 £'000
Contract termination costs	68	15

Contract termination costs relate to the one off costs associated with the cessation of service contracts in the period with key managers.

**6 Employees**

**Number of employees**

The average monthly number of employees (including Directors) during the period was:

	2014 Number	2013 Number
Administration and selling	389	327

**Employment costs (including Directors' emoluments)**

	2014 £'000	2013 £'000
Wages and salaries	10,633	8,230
Social security costs	1,693	1,209
	<b>12,326</b>	<b>9,439</b>

**7 Interest payable and similar charges**

	2014 £'000	2013 £'000
Bank loans and overdrafts	559	315
Finance lease and hire purchase contracts	1	1
Other	6	7
	<b>566</b>	<b>323</b>

# Agent Provocateur Limited

## for the 52 week period ended 29 March 2014

### Notes to the financial statements (continued)

#### 8 Tax on profit on ordinary activities

	2014 £'000	2013 £'000
Current tax		
<i>UK corporation tax</i>		
Current tax on profit for the period	1,606	984
Adjustment in respect of prior years	12	4
	<b>1,618</b>	<b>988</b>
Deferred tax		
Origination and reversal of timing differences	(82)	145
Impact of change in UK tax rate	25	25
	<b>(57)</b>	<b>170</b>
	<b>1,561</b>	<b>1,158</b>

The tax assessed for the year is higher (2013: higher) than the standard rate of corporation tax in the UK (23%).

#### Factors affecting the tax charge for the period

<b>Profit on ordinary activities before taxation</b>	<b>6,234</b>	<b>3,797</b>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23% (2013: 24%)	1,434	911
Effects of:		
Expenses not deductible for tax purposes	12	14
Capital allowances for the period in excess of depreciation /		
Depreciation for period in excess of capital allowance	18	(57)
Losses for which no deferred income tax asset has been recognised	142	116
Adjustment in respect of prior years	12	4
<b>Current tax charge</b>	<b>1,618</b>	<b>988</b>

#### Factors affecting current and future tax charges

During the year, as a result of the changes in UK corporation tax rate to 21% from 1 April 2014 and to 20% from 1 April 2015, which were substantially enacted on 2 July 2013, the relevant deferred tax balances have been re-measured.

#### 9 Profit for the financial period

As permitted by section 408(4) of the Companies Act 2006 the company has elected not to present its own profit and loss account for the period. The company's profit for the financial period of £4,170,000 (2013: Profit £2,801,000) is shown in note 19.

**Agent Provocateur Limited**  
**for the 52 week period ended 29 March 2014**

**Notes to the financial statements (continued)**

**10 Intangible assets**

**Group**

	Trademark £'000	Franchise costs £'000	Key Money £'000	Total £'000
<b>Cost</b>				
At 31 March 2013	1,058	543	1,286	2,887
Additions	75	268	1,222	1,565
Disposals	-	-	-	-
Exchange rate effect	1	(11)	(10)	(20)
<b>At 29 March 2014</b>	<b>1,134</b>	<b>800</b>	<b>2,498</b>	<b>4,432</b>
<b>Accumulated amortisation</b>				
At 31 March 2013	176	228	38	442
Charge for the period	138	136	38	312
Disposals	-	-	-	-
Exchange rate effect	-	(1)	(1)	(2)
<b>At 29 March 2014</b>	<b>314</b>	<b>363</b>	<b>75</b>	<b>752</b>
<b>Net book amount</b>				
<b>At 29 March 2014</b>	<b>820</b>	<b>437</b>	<b>2,423</b>	<b>3,680</b>
At 30 March 2013	882	315	1,248	2,445

**Company**

	Trademark £'000	Franchise costs £'000	Total £'000
<b>Cost</b>			
At 31 March 2013	1,056	353	1,409
Additions	75	149	224
Disposals	-	-	-
Exchange rate effect	1	18	19
<b>At 29 March 2014</b>	<b>1,132</b>	<b>520</b>	<b>1,652</b>
<b>Accumulated amortisation</b>			
At 31 March 2013	176	162	338
Charge for the period	138	87	225
Disposals	-	-	-
Exchange rate effect	-	19	19
<b>At 29 March 2014</b>	<b>314</b>	<b>268</b>	<b>582</b>
<b>Net book amount</b>			
<b>At 29 March 2014</b>	<b>818</b>	<b>252</b>	<b>1,070</b>
At 30 March 2013	880	191	1,071

**Agent Provocateur Limited**  
**for the 52 week period ended 29 March 2014**

**Notes to the financial statements (continued)**

**11 Tangible assets**

**Group**

	Short leasehold improvements £'000	Website development £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>					
At 31 March 2013	3,861	850	13,464	15	18,190
Additions	431	228	4,470	-	5,129
Disposals	-	-	-	-	-
Exchange rate effect	(260)	-	(273)	-	(533)
<b>At 29 March 2014</b>	<b>4,032</b>	<b>1,078</b>	<b>17,661</b>	<b>15</b>	<b>22,786</b>
<b>Accumulated depreciation</b>					
At 31 March 2013	2,157	690	8,857	4	11,708
Charge for the period	337	78	2,058	4	2,477
Disposals	-	-	-	-	-
Exchange rate effect	(111)	-	(337)	-	(448)
<b>At 29 March 2014</b>	<b>2,383</b>	<b>768</b>	<b>10,578</b>	<b>8</b>	<b>13,737</b>
<b>Net book amount</b>					
<b>At 29 March 2014</b>	<b>1,649</b>	<b>310</b>	<b>7,083</b>	<b>7</b>	<b>9,049</b>
At 30 March 2013	1,704	160	4,607	11	6,482

**Finance leases and hire purchase contracts**

The net book value of tangible fixed assets includes an amount of £7,000 (2013: £11,000) in respect of assets held under finance leases or hire purchase contracts.

**Agent Provocateur Limited**  
**for the 52 week period ended 29 March 2014**

**Notes to the financial statements (continued)**

**11 Tangible assets (continued)**

**Company**

	Short leasehold improvements £'000	Website development £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>					
At 31 March 2013	459	850	7,621	15	8,945
Additions	3	228	1,504	-	1,735
Disposals	-	-	-	-	-
Intercompany transfers	27	-	345	-	372
Exchange rate effect	1	-	(2)	-	(1)
<b>At 29 March 2014</b>	<b>490</b>	<b>1,078</b>	<b>9,468</b>	<b>15</b>	<b>11,051</b>
<b>Accumulated depreciation</b>					
At 31 March 2013	398	690	5,170	4	6,262
Charge for the period	13	78	1,042	4	1,137
Disposals	-	-	-	-	-
Intercompany transfers	21	-	319	-	340
Exchange rate effect	(1)	-	(1)	-	(2)
<b>At 29 March 2014</b>	<b>431</b>	<b>768</b>	<b>6,530</b>	<b>8</b>	<b>7,737</b>
<b>Net book amount</b>					
<b>At 29 March 2014</b>	<b>59</b>	<b>310</b>	<b>2,938</b>	<b>7</b>	<b>3,314</b>
At 30 March 2013	61	160	2,451	11	2,683

**Finance leases and hire purchase contracts**

The net book value of tangible fixed assets includes an amount of £7,000 (2013: £11,000) in respect of assets held under finance leases or hire purchase contracts.

# Agent Provocateur Limited

## for the 52 week period ended 29 March 2014

### Notes to the financial statements (continued)

#### 12 Fixed asset investments

##### Company

	Shares in subsidiary undertakings £'000
<b>Cost</b>	
<b>At 29 March 2014 and 30 March 2013</b>	<b>948</b>

The directors believe that the carrying value of the investments is supported by their underlying net assets

The company holds the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%	Direct/ Indirect
<b>Subsidiary undertakings</b>				
Agent Provocateur Inc	USA	Ordinary	100	Direct
Agent Provocateur Sarl	France	Ordinary	100	Direct
Agent Provocateur Ltd	Hong Kong	Ordinary	100	Direct
Agent Provocateur Srl	Italy	Ordinary	100	Direct
Agent Provocateur Spain SL	Spain	Ordinary	100	Direct
Agent Provocateur Copenhagen APS	Denmark	Ordinary	100	Direct
Agent Provocateur Sweden AB	Sweden	Ordinary	100	Direct
Agent Provocateur Netherlands B.V.	Netherlands	Ordinary	100	Direct
Agent Provocateur Austria GmbH	Austria	Ordinary	100	Direct
Agent Provocateur Czech Republic s.r.o.	Czech Republic	Ordinary	100	Direct
Agent Provocateur Canada Ltd	Canada	Ordinary	100	Direct
Agent Provocateur Holdings Pty Ltd	Australia	Ordinary	100	Direct
Agent Provocateur México S.A. de C.V	Mexico	Ordinary	100	Direct
Agent Provocateur (Beijing) Commercial Co., Ltd	China	Ordinary	100	Indirect

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial period were as follows:

	Capital and reserves £'000	Profit/(loss) for the period £'000
Agent Provocateur Inc	41	175
Agent Provocateur Sarl	55	19
Agent Provocateur Ltd	16	14
Agent Provocateur Srl	(289)	(113)
Agent Provocateur Spain SL	(714)	23
Agent Provocateur Copenhagen APS	93	23
Agent Provocateur Sweden AB	(193)	(26)
Agent Provocateur Netherlands B.V.	(48)	3
Agent Provocateur Austria GmbH	242	121
Agent Provocateur Czech Republic s.r.o.	18	63
Agent Provocateur Canada Ltd	106	161
Agent Provocateur Holdings Pty Ltd	(42)	20
Agent Provocateur México S.A. de C.V	-	-
Agent Provocateur (Beijing) Commercial Co., Ltd	580	(20)

**Agent Provocateur Limited**  
**for the 52 week period ended 29 March 2014**

**Notes to the financial statements (continued)**

**13 Stocks**

	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>2014</b>	<b>2014</b>	<b>2013</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Finished goods and goods for resale	<b>12,485</b>	<b>12,485</b>	8,338	8,338

There is no material difference between the replacement cost and carrying value of stocks held at period end.

**14 Debtors**

	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>2014</b>	<b>2014</b>	<b>2013</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade debtors	<b>5,859</b>	<b>4,054</b>	3,740	2,454
Amounts owed by group undertakings	-	<b>10,528</b>	-	5,178
Other debtors	<b>1,118</b>	<b>297</b>	784	175
Deferred tax (See note 17)	<b>580</b>	<b>262</b>	523	195
Corporation tax	<b>177</b>	<b>94</b>	284	-
Prepayments and accrued income	<b>1,995</b>	<b>1,709</b>	1,629	1,273
	<b>9,729</b>	<b>16,944</b>	6,960	9,275

Amounts owed by group and subsidiary undertakings are interest free and repayable on demand.

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

	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>2014</b>	<b>2014</b>	<b>2013</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bank loans and overdrafts (See note 16)	<b>1,213</b>	<b>1,213</b>	1,091	1,091
Net obligations under finance lease and hire purchase contracts	<b>3</b>	<b>3</b>	3	3
Trade creditors	<b>2,549</b>	<b>1,829</b>	1,415	720
Other taxation and social security	<b>1,214</b>	<b>384</b>	583	188
Corporation tax	<b>1,465</b>	<b>1,195</b>	58	-
Other creditors	<b>1,020</b>	<b>624</b>	297	92
Accruals and deferred income	<b>1,177</b>	<b>742</b>	1,075	511
	<b>8,641</b>	<b>5,990</b>	4,522	2,605

**Agent Provocateur Limited**  
**for the 52 week period ended 29 March 2014**

**Notes to the financial statements (continued)**

**16 Creditors: Amounts falling due after more than one year**

	Group 2014 £'000	Company 2014 £'000	Group 2013 £'000	Company 2013 £'000
Amounts owed to group undertakings	7,244	6,890	7,187	4,566
Net obligations under finance leases and hire purchase contracts	3	3	6	6
Bank loans and overdrafts	14,200	14,200	8,400	8,400
	<b>21,447</b>	<b>21,093</b>	15,593	12,972

**Analysis of loans**

Amounts owed to group and subsidiary companies repayable after more than one year	7,244	6,890	7,187	4,566
Barclays loan repayable within one year	1,213	1,213	1,091	1,091
Barclays loan repayable after more than one year	14,200	14,200	8,400	8,400
Finance leases and hire purchase contracts repayable after more than one year	3	3	6	6
	<b>22,660</b>	<b>22,306</b>	16,684	14,063
Included in current liabilities	<b>(1,213)</b>	<b>(1,213)</b>	(1,091)	(1,091)
	<b>21,447</b>	<b>21,093</b>	15,593	12,972

**Loan maturity analysis**

Debt due within one year	1,213	1,213	1,091	1,091
Debt due between one and five years	21,447	21,093	15,593	12,972
In five years or more	-	-	-	-
	<b>22,660</b>	<b>22,306</b>	16,684	14,063

**Net obligations under finance leases and hire purchase contracts**

	2014 £'000	2014 £'000	2013 £'000	2013 £'000
Repayable within one year	3	3	3	3
Repayable between one and five years	3	3	6	6
	<b>6</b>	<b>6</b>	9	9



**Agent Provocateur Limited**  
**for the 52 week period ended 29 March 2014**

**Notes to the financial statements (continued)**

**17 Deferred Taxation**

	<b>Group</b>	<b>Company</b>
	<b>£'000</b>	<b>£'000</b>
Deferred taxation		
Balance at 31 March 2013	523	195
Profit and loss account	57	67
<b>Balance at 29 March 2014</b>	<b>580</b>	<b>262</b>

Deferred taxation is recognised in the balance sheet as follows:

	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>2014</b>	<b>2014</b>	<b>2013</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Deferred tax assets disclosed in debtors (see note 14)	<b>580</b>	<b>262</b>	523	195

Deferred tax is provided at 21% (2013: 23%) analysed over the following timing differences:

	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>2014</b>	<b>2014</b>	<b>2013</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Accelerated capital allowances	262	262	195	195
Losses	-	-	-	-
Timing differences	318	-	328	-
<b>Total</b>	<b>580</b>	<b>262</b>	<b>523</b>	<b>195</b>

**18 Called up Share capital**

	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>2014</b>	<b>2014</b>	<b>2013</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Authorised</b>				
200,000 (2013: 200,000) Ordinary shares of £1 each	200	200	200	200
<b>Allotted and fully paid</b>				
102,283 (2013: 102,283) Ordinary shares of £1 each	102	102	102	102

# Agent Provocateur Limited

## for the 52 week period ended 29 March 2014

### Notes to the financial statements (continued)

#### 19 Reconciliation of movements in shareholders' funds

##### Group

	Called up Share Capital £'000	Share Premium account £'000	Profit and loss account £'000	Total £'000
Opening shareholders' funds	102	313	4,412	4,827
Profit for the financial period	-	-	4,673	4,673
Exchange rate difference	-	-	(455)	(455)
Closing shareholders' funds	102	313	8,630	9,045

##### Company

	Called up Share Capital £'000	Share Premium account £'000	Profit and loss account £'000	Total £'000
Opening shareholders' funds	102	313	6,474	6,889
Profit for the financial period	-	-	4,170	4,170
Exchange rate difference	-	-	12	12
Closing shareholders' funds	102	313	10,656	11,071

#### 20 Commitments under operating leases

The annual commitments under non-cancellable operating leases for land and buildings were as follows:

	Group 2014 £'000	Company 2014 £'000	Group 2013 £'000	Company 2013 £'000
Within one year	205	50	-	-
Between two and five years	1,609	591	1,963	625
In over five years	2,593	630	2,093	572
	4,407	1,271	4,056	1,197

#### 21 Related party transactions

During the period purchases totalling £nil (2013: £nil) were made from Agent Provocateur Parfum Limited. At the period end Agent Provocateur Limited owed £871,392 (2013: £871,392) to Agent Provocateur Parfum Limited. At the period end Agent Provocateur Parfum Limited owed Agent Provocateur Limited £nil (2013: £nil).

During the 52 week period ended 29 March 2014, £nil (2013: £nil) royalties were received from Agent Provocateur Parfum Limited.

# **Agent Provocateur Limited**

## **for the 52 week period ended 29 March 2014**

### **Notes to the financial statements (continued)**

#### **22 Controlling party**

The immediate parent undertaking is Pearl Acquisition Limited.

The ultimate parent undertaking and controlling party is 3i Group plc, a company incorporated in the United Kingdom, through various managed funds.

Copies of the consolidated financial statements of 3i Group plc are available from 16 Palace Street, London, SW1E 5JD.

Pearl (AP) Group Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 29 March 2014. The consolidated financial statements of Pearl (AP) Group Limited available from Companies House, Crown House, Cardiff, CF4 3UZ.

Pearl (AP) Group Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Pearl (AP) Group Limited can be obtained from Companies House, Crown House, Cardiff, CF4 3UZ.