
SHUBETTE OF LONDON LIMITED

ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014

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SHUBETTE OF LONDON LIMITED

COMPANY INFORMATION

| | |
|-----------------------------|---|
| Directors | G B Offenbach C D Offenbach M J Offenbach |
| Registered number | 00622183 |
| Registered office | Shubette House 2 Apsley Way London NW2 7HF |
| Business address | Shubette House 2 Apsley Way London NW2 7HF |
| Independent auditors | Nyman Libson Paul Chartered Accountants & Statutory Auditors Regina House 124 Finchley Road London NW3 5JS |
| Bankers | Barclays Bank Plc 1 Churchill Place Canary Wharf London E14 5HP |

SHUBETTE OF LONDON LIMITED

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SHUBETTE OF LONDON LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2014

The directors present their report and the financial statements for the year ended 30 September 2014.

Results and dividends

The loss for the year, after taxation, amounted to £31,206 (2013 - profit £489,436).

The directors do not recommend payment of a final dividend.

Future developments

The external commercial environment is expected to remain competitive in 2015. However, the directors remain confident at the operating profit level that the company will improve on its current level of performance in the future.

Directors

The directors who served during the year were:

G B Offenbach
C D Offenbach
M J Offenbach

Directors' responsibilities statement

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;
- 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.

SHUBETTE OF LONDON LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

Financial instruments

The company's principal financial instruments comprise bank balances, trade creditors and trade debtors. The main purpose of these instruments is to finance the company's operations. Due to the nature of financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is described below.

In respect of bank balances the liquidity risk is managed by maintaining a continuity of funding. Trade debtors are managed in respect of credit and cash flow risks by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. Trade creditors liquidity risk is managed by ensuring that sufficient funds are available to meet amounts due.

Disclosure of information to auditors

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

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the board on 3 DECEMBER 2014

and signed on its behalf.



G B Offenbach
Director

SHUBETTE OF LONDON LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2014

Introduction

The principal activity of the company is the design of contemporary and modern own-brand and private-label fashion clothing.

Business review

The results for the year show a pre-tax profit for the company of £84,400 (2013: £681,952) and sales of £10,700,355 (2013: £10,952,367).

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks.

The principal business risks and uncertainties affecting the company include the general economic climate, specifically within the European Union, and acceptance of its products and designs, by its customers.

The company manages these risks through an ongoing process of monitoring and researching the general economy, competitor activity and trends within the clothing market as well as demand across its seasonal clothing lines.

The company operates in a highly-competitive market which is a continuing risk and could result in losing customers to competitors or having customers source their clothing lines direct and excluding the company from their supply chain. The company manages this risk by providing bespoke high quality garments to its clients, continually updating its seasonal lines with changes in trends and consumer demand, as well as maintaining strong relationships with its customers.

The company generates and incurs a large proportion of its income and expenditure in euros and US dollars. It mitigates foreign currency fluctuation risk by the use of bank accounts in these foreign currencies and also by converting currency regularly and avoiding currency speculation.

The company's exposure to risk on credit, liquidity and cashflow is managed effectively through normal credit terms.

Financial key performance indicators

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

This report was approved by the board on 3 DECEMBER 2014 and signed on its behalf.



G B Offenbach
Director

SHUBETTE OF LONDON LIMITED

**INDEPENDENT AUDITORS' REPORT TO SHUBETTE OF LONDON LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages 5 to 13, together with the financial statements of Shubette of London Limited for the year ended 30 September 2014 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

Opinion on financial statements

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts on pages 5 to 13 have been properly prepared in accordance with the regulations made under that section.



Richard Paul (senior statutory auditor)

for and on behalf of
Nyman Libson Paul

Chartered Accountants
Statutory Auditors

Regina House
124 Finchley Road
London
NW3 5JS

Date: 3 DECEMBER 2014

SHUBETTE OF LONDON LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2014

| | Note | 2014 £ | 2013 £ |
|--|------|-------------|-------------|
| TURNOVER | 1 | 10,700,355 | 10,952,367 |
| GROSS PROFIT | | 3,224,038 | 4,108,484 |
| Distribution costs | | (1,711,961) | (2,022,603) |
| Administrative expenses | | (1,379,999) | (1,330,895) |
| OPERATING PROFIT | | 132,078 | 754,986 |
| Interest receivable and similar income | | 3,108 | 7,255 |
| Interest payable and similar charges | 2 | (50,786) | (80,289) |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 84,400 | 681,952 |
| Tax on profit on ordinary activities | 5 | (115,606) | (192,516) |
| (LOSS)/PROFIT FOR THE FINANCIAL YEAR | | (31,206) | 489,436 |

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

The notes on pages 7 to 13 form part of these financial statements.

SHUBETTE OF LONDON LIMITED
REGISTERED NUMBER: 00622183

ABBREVIATED BALANCE SHEET
AS AT 30 SEPTEMBER 2014

| | Note | £ | 2014 £ | 2013 £ |
|--|------|--------------------|----------------|--------------------|
| FIXED ASSETS | | | | |
| Tangible assets | 6 | | 111,800 | 147,355 |
| CURRENT ASSETS | | | | |
| Stocks | 7 | 915,019 | | 737,028 |
| Debtors | 8 | 2,503,445 | | 2,481,571 |
| Cash at bank and in hand | | 476,088 | | 649,796 |
| | | <u>3,894,552</u> | | <u>3,868,395</u> |
| CREDITORS: amounts falling due within one year | 9 | <u>(3,239,571)</u> | | <u>(3,017,763)</u> |
| NET CURRENT ASSETS | | | 654,981 | 850,632 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>766,781</u> | <u>997,987</u> |
| CREDITORS: amounts falling due after more than one year | 10 | | - | (200,000) |
| NET ASSETS | | | <u>766,781</u> | <u>797,987</u> |
| CAPITAL AND RESERVES | | | | |
| Called up share capital | 12 | | 1,000,000 | 1,000,000 |
| Profit and loss account | 13 | | (233,219) | (202,013) |
| SHAREHOLDERS' FUNDS | 14 | | <u>766,781</u> | <u>797,987</u> |

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 relating to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf on 3 DECEMBER 2014



G B Offenbach
Director



M J Offenbach
Director

The notes on pages 7 to 13 form part of these financial statements.

SHUBETTE OF LONDON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Turnover

Turnover comprises amounts receivable for the sale of own-brand and private-label fashion clothing net of Value Added Tax and trade discounts.

1.3 Tangible fixed assets and depreciation

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

| | | |
|--------------------------------------|---|-----------------------------|
| Plant & machinery | - | 15% reducing balance |
| Computer equipment | - | 33.3% reducing balance |
| Fixtures, equipment & motor vehicles | - | 15% to 20% reducing balance |

1.4 Leasing

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

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

1.5 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

1.6 Pensions

The company makes contributions directly into individual employees' personal pension plans. The pension cost charge represents contributions paid to those funds during the year.

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. There have been no contributions to this scheme during the current or the prior financial period.

SHUBETTE OF LONDON LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

1. ACCOUNTING POLICIES (continued)**1.7 Foreign currencies**

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

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

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

2. INTEREST PAYABLE

| | 2014 £ | 2013 £ |
|------------------------|---------------|---------------|
| Other loan interest | 45,108 | 54,615 |
| Other interest payable | 5,678 | 25,674 |
| | <u>50,786</u> | <u>80,289</u> |

3. DIRECTORS' REMUNERATION

| | 2014 £ | 2013 £ |
|--------------|----------------|----------------|
| Remuneration | <u>276,290</u> | <u>230,596</u> |

The highest paid director received remuneration of £127,955 (2013 - £97,955).

Retirement benefits are accruing for two directors under a money purchase pension scheme.

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

| | 2014 £ | 2013 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,876,912 | 1,998,454 |
| Social security costs | 219,550 | 230,430 |
| Other pension costs | 3,061 | 39,061 |
| | <u>2,099,523</u> | <u>2,267,945</u> |

SHUBETTE OF LONDON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2014

4. STAFF COSTS (continued)

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

| | 2014 No. | 2013 No. |
|--------------------------------------|-------------|-------------|
| Management | 3 | 3 |
| Administration, production and sales | 53 | 57 |
| | <u>56</u> | <u>60</u> |

5. TAXATION

| | 2014 £ | 2013 £ |
|--|----------------|----------------|
| Analysis of tax charge in the year | | |
| UK corporation tax charge on profit for the year | 33,136 | 165,912 |
| Adjustments in respect of prior periods | 82,470 | 26,604 |
| | <u>115,606</u> | <u>192,516</u> |
| Tax on profit on ordinary activities | | |

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - higher than) the standard rate of corporation tax in the UK of 22% (2013 - 23.5%). The differences are explained below:

| | 2014 £ | 2013 £ |
|--|----------------|----------------|
| Profit on ordinary activities before tax | <u>84,400</u> | <u>681,952</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22% (2013 - 23.5%) | 18,568 | 160,259 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 12,964 | 4,929 |
| Capital allowances for year in excess of depreciation | 1,652 | 1,639 |
| Loss on disposal of fixed assets | 930 | 151 |
| Adjustments to tax charge in respect of prior periods | 82,470 | 26,604 |
| Changes in provisions leading to an increase (decrease) in the tax charge | 727 | (1,066) |
| Marginal relief | (1,705) | - |
| | <u>115,606</u> | <u>192,516</u> |
| Current tax charge for the year (see note above) | | |

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

SHUBETTE OF LONDON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2014

6. TANGIBLE FIXED ASSETS

| | Plant and machinery £ | Fixtures, equipment and motor vehicles £ | Total £ |
|-----------------------|-----------------------------|--|----------------|
| Cost | | | |
| At 1 October 2013 | 67,637 | 503,960 | 571,597 |
| Additions | - | 1,985 | 1,985 |
| Disposals | (600) | (41,660) | (42,260) |
| At 30 September 2014 | <u>67,037</u> | <u>464,285</u> | <u>531,322</u> |
| Depreciation | | | |
| At 1 October 2013 | 57,910 | 366,332 | 424,242 |
| Charge for the year | 1,461 | 26,277 | 27,738 |
| On disposals | (599) | (31,859) | (32,458) |
| At 30 September 2014 | <u>58,772</u> | <u>360,750</u> | <u>419,522</u> |
| Net book value | | | |
| At 30 September 2014 | <u>8,265</u> | <u>103,535</u> | <u>111,800</u> |
| At 30 September 2013 | <u>9,727</u> | <u>137,628</u> | <u>147,355</u> |

7. STOCKS

| | 2014 £ | 2013 £ |
|-------------------------------------|----------------|----------------|
| Raw materials and consumables | 386,507 | 395,293 |
| Finished goods and goods for resale | 528,512 | 341,735 |
| | <u>915,019</u> | <u>737,028</u> |

8. DEBTORS

| | 2014 £ | 2013 £ |
|------------------------------------|------------------|------------------|
| Trade debtors | 2,344,558 | 1,455,651 |
| Amounts owed by group undertakings | - | 228,221 |
| Other debtors | 16,853 | 768,022 |
| Prepayments and accrued income | 54,969 | 29,677 |
| Tax recoverable | 87,065 | - |
| | <u>2,503,445</u> | <u>2,481,571</u> |

SHUBETTE OF LONDON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2014

9. CREDITORS:

Amounts falling due within one year

| | 2014 £ | 2013 £ |
|------------------------------------|------------------|------------------|
| Other loans | 400,000 | 440,000 |
| Trade creditors | 521,088 | 514,930 |
| Amounts owed to group undertakings | 1,768,332 | 532,639 |
| Corporation tax | 122,018 | 753,641 |
| Other taxation and social security | 149,752 | 208,995 |
| Other creditors | - | 373,170 |
| Accruals and deferred income | 278,381 | 194,388 |
| | <u>3,239,571</u> | <u>3,017,763</u> |

Other loans falling due within one year and amounting to £400,000 (2013: £440,000) are secured by debentures granting a floating charge over all the assets of the company. The loan incurs interest at 3% above LIBOR and the terms of repayment on these loan amounts are £200,000 per annum.

10. CREDITORS:

Amounts falling due after more than one year

| | 2014 £ | 2013 £ |
|-------------|-----------|-----------|
| Other loans | - | 200,000 |

Creditors include amounts not wholly repayable within 5 years as follows:

| | 2014 £ | 2013 £ |
|---|-----------|-----------|
| In more than one year but not more than two years | - | 200,000 |

Included in other loans falling due after more than one year are loan amounts totalling £nil (2013: £200,000) which are secured by debentures granting a floating charge over all the assets of the company. The loan incurs interest at 3% above LIBOR and the terms of repayment on these loan amounts are £200,000 per annum.

11. PENSION COMMITMENTS

The pension cost charge solely represents contributions into individual employees' personal pension plans for the year and amounted to £3,061 (2013: £39,061). No contributions were payable to employees' personal pension plans or to the defined contributions pension scheme operated by the company at the balance sheet date (2013: £nil).

SHUBETTE OF LONDON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2014

12. SHARE CAPITAL

| | 2014 £ | 2013 £ |
|---|------------------|------------------|
| Allotted, called up and fully paid | | |
| 1,000,000 Ordinary shares of £1 each | <u>1,000,000</u> | <u>1,000,000</u> |

13. RESERVES

| | Profit and loss account £ |
|-----------------------------|---------------------------------|
| At 1 October 2013 | (202,013) |
| Loss for the financial year | <u>(31,206)</u> |
| At 30 September 2014 | <u>(233,219)</u> |

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

| | 2014 £ | 2013 £ |
|--------------------------------------|-----------------|----------------|
| Opening shareholders' funds | 797,987 | 308,551 |
| (Loss)/profit for the financial year | <u>(31,206)</u> | <u>489,436</u> |
| Closing shareholders' funds | <u>766,781</u> | <u>797,987</u> |

SHUBETTE OF LONDON LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

15. DIRECTORS' BENEFITS: ADVANCES, CREDIT AND GUARANTEES

During the year G B Offenbach maintained an unsecured loan account with the company on which interest at a rate of 3% above LIBOR amounting to £9,019 (2013: £15,098) was payable by the company. The maximum amount owed on the loan account during the year by G B Offenbach to the company was £1,036,096 and at the balance sheet date G B Offenbach owed the company £nil (2013: £709,491).

During the year M J Offenbach, maintained an unsecured loan account with the company on which interest at a rate of 3% above LIBOR amounting to £59 (2013: £1,897) was payable by the company. The maximum amount owed on the loan account during the year by M J Offenbach to the company was £298,367 and at the balance sheet date M J Offenbach owed the company £nil (2013: the company owed M J Offenbach £61,786).

16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent company is Shubette Group of Companies Limited, a company registered in England and Wales and for which consolidated group financial statements are prepared.

The controlling parties are the directors G B Offenbach and M J Offenbach.