

Company registration number: 02640488

**Pepe Jeans London Limited**

**Unaudited filleted abridged financial statements**

**31 March 2019**

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## **Pepe Jeans London Limited**

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**Pepe Jeans London Limited**

**Abridged statement of financial position  
31 March 2019**

	<b>Note</b>	<b>2019</b> <b>£</b>	<b>£</b>	<b>2018</b> <b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Tangible assets	<b>6</b>	2,515,738		2,069,693	
Investments	<b>7</b>	1,449,518		1,449,518	
			3,965,256		3,519,211
<b>Current assets</b>					
Stocks		364,197		253,403	
Debtors		4,920,847		3,115,185	
Cash at bank and in hand		728,767		-	
		6,013,811		3,368,588	
<b>Creditors: amounts falling due within one year</b>		(8,333,348)		(6,078,013)	
<b>Net current liabilities</b>			(2,319,537)		(2,709,425)
<b>Total assets less current liabilities</b>			1,645,719		809,786
<b>Net assets</b>			1,645,719		809,786
<b>Capital and reserves</b>					
Called up share capital		38,450,000		36,450,000	
Share premium account		3,882,000		3,882,000	
Profit and loss account		(40,686,281)		(39,522,214)	
<b>Shareholders funds</b>			1,645,719		809,786

For the year ending 31 March 2019 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The director acknowledges their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These abridged financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

**The notes on pages 3 to 7 form part of these financial statements.**

**Pepe Jeans London Limited**

**Abridged statement of financial position (continued)**  
**31 March 2019**

All of the members have consented to the preparation of the abridged statement of comprehensive income and the abridged statement of financial position for the year ending 31 March 2019 in accordance with Section 444(2A) of the Companies Act 2006.

In accordance with section 444 of the Companies Act 2006, the abridged statement of comprehensive income has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 14 February 2020, and are signed on behalf of the board by:

Mr N Soneji  
Director



Company registration number: 02640488

**The notes on pages 3 to 7 form part of these financial statements.**

## **Pepe Jeans London Limited**

### **Notes to the financial statements Year ended 31 March 2019**

#### **1. General information**

The company is a private company limited by shares, registered in England. The address of the registered office is 4 Maguire Street, Butlers Wharf, London, England, SE1 2NQ.

The Company's principal activity during the year was the marketing, distribution and retailing of a range of quality imported jeans and jeans-related products under the brand name "Pepe", in the United Kingdom.

#### **2. Statement of compliance**

These financial statements have been prepared in compliance with the provisions of FRS 102, Section 1A, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### **3. Accounting policies**

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

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### **Disclosure exemptions**

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of PJJ Investments B.V. group financial statements which can be obtained by writing to:

PJJ Investments B.V.  
Keizersgracht 321  
1016 EE Amsterdam  
The Netherlands

As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) Disclosures in respect of share-based payments have not been presented.
- (e) No disclosure has been given for the aggregate remuneration of key management personnel.

##### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer, usually on despatch of the goods; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

## **Pepe Jeans London Limited**

### **Notes to the financial statements (continued) Year ended 31 March 2019**

#### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

#### **Tangible assets**

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

#### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Short leasehold property	- 25%	straight line
Plant and machinery	- 33%	straight line
Equipment	- 33%	straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

## **Pepe Jeans London Limited**

### **Notes to the financial statements (continued) Year ended 31 March 2019**

#### **Fixed asset investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

#### **Financial instruments**

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

#### **Impairment**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

# **Pepe Jeans London Limited**

## **Notes to the financial statements (continued)** **Year ended 31 March 2019**

### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

### **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

### **4. Employee numbers**

The average number of persons employed by the company during the year amounted to 33 (2018: 35).

### **5. Loss before taxation**

Loss before taxation is stated after charging/(crediting):

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible assets	543,112	334,023
Interest 3rd party	135,046	33,272
Interest Inter-company	<u>124,953</u>	<u>100,291</u>

### **6. Tangible assets**

	<b>£</b>
<b>Cost</b>	
At 1 April 2018	4,168,738
Additions	<u>989,157</u>
<b>At 31 March 2019</b>	<u><u>5,157,895</u></u>
<b>Depreciation</b>	
At 1 April 2018	2,099,045
Charge for the year	<u>543,112</u>
<b>At 31 March 2019</b>	<u><u>2,642,157</u></u>
<b>Carrying amount</b>	
<b>At 31 March 2019</b>	<u><u>2,515,738</u></u>
At 31 March 2018	<u><u>2,069,693</u></u>



**Pepe Jeans London Limited**

**Notes to the financial statements (continued)**  
**Year ended 31 March 2019**

**7. Investments**

	£
<b>Cost</b>	
At 1 April 2018 and 31 March 2019	1,449,518
<b>Impairment</b>	
At 1 April 2018 and 31 March 2019	-
<b>Carrying amount</b>	
At 31 March 2019	1,449,518
At 31 March 2018	1,449,518

**8. Related party transactions**

PJL Investments B.V. has presented its consolidated financial statements, which are publicly available. Accordingly the Company has taken advantage of the exemption available under FRS102, Section 33 to dispense with disclosing related party transactions with entities within the group, or investees of the group qualifying as related parties.

**9. Ultimate parent company and controlling party**

*The company is exempt under section 400 of the Companies Act 2006 from preparing financial statements on the grounds that the results of the company and its subsidiary are incorporated in the consolidated financial statements of the parent company, PJL Investments B.V. Copies of the Consolidated Financial Statements of PJL Investments B.V. can be obtained by writing to:*

PJL Investments B.V.  
Keizersgracht 321  
1016 EE Amsterdam  
The Netherlands

M1 Fashion Investments Limited is a significant investor in PJL investments B.V. and as at 31 March 2019 was regarded by the Directors as the ultimate controlling party.

**Pepe Jeans London Limited**

**Detailed income statement  
Year ended 31 March 2019**

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
<b>Turnover</b>		
Sales	12,899,070	10,822,560
	<u>12,899,070</u>	<u>10,822,560</u>
<b>Cost of sales</b>		
Opening stock	(253,403)	(397,913)
Purchases	(6,148,392)	(5,515,768)
	<u>(6,401,795)</u>	<u>(5,913,681)</u>
Closing stock	364,197	253,403
	<u>6,037,598</u>	<u>5,660,278</u>
<b>Gross profit</b>	<u>6,861,472</u>	<u>5,162,282</u>
<b>Gross profit percentage</b>	53.2%	47.7%
<b>Overheads</b>		
Distribution costs	(1,696,816)	(470,481)
Administrative expenses	(6,068,412)	(7,798,347)
	<u>(7,765,228)</u>	<u>(8,268,828)</u>
<b>Operating loss</b>	(903,756)	(3,106,546)
<b>Operating loss percentage</b>	7.0%	28.7%
Interest payable and similar expenses	(259,999)	(133,563)
<b>Loss before taxation</b>	<u>(1,163,755)</u>	<u>(3,240,109)</u>