

COMPANY REGISTRATION NUMBER 2817045

CLUB 21 DISTRIBUTION (UK) LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2013

TUESDAY



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CLUB 21 DISTRIBUTION (UK) LIMITED

FINANCIAL STATEMENTS

Year Ended 31 December 2013

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CLUB 21 DISTRIBUTION (UK) LIMITED

DIRECTORS' REPORT

Year Ended 31 December 2013

The directors present their report and the financial statements of the Company for the year ended 31 December 2013.

Principal Activities and Business Review

The company's principal activity was that of wholesalers and distributors of fashionwear. The company has traded at a profit during the year with reduced trading activities due to the company having sold its business during 2012.

Other operating income relates to commissions received, operating profit decreased from £2.8m to £1.4m.

Results and Dividends

The profit for the year amounted to £2,395,344 (2012:£11,650,212). The directors have not recommended a dividend (2012:£Nil).

Directors

The directors who served the Company during the year were as follows:

Mr BLK Heng
Mr V Sodhy

On 12 May 2014 it was resolved by the board that Mr AC Roberts be appointed as a director of the Company.

Directors' Responsibilities

The directors are responsible for preparing 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 year.

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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

CLUB 21 DISTRIBUTION (UK) LIMITED

DIRECTORS' REPORT *(continued)*

Year Ended 31 December 2013

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.

Auditor

Baker Tilly UK Audit LLP has indicated its willingness to continue as auditor.

Statement as to Disclosure of Information to 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.

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under applicable reporting requirement in the United Kingdom.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

By order of the board



Mr AC Roberts

Director

Approved by the directors on 29 August 2014

CLUB 21 DISTRIBUTION (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CLUB 21 (UK) DISTRIBUTION

Year Ended 31 December 2013

We have audited the financial statements on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 pages 1 to 2, 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 <http://www.frc.org.uk/auditscopeukprivate>.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the provisions 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.

CLUB 21 DISTRIBUTION (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CLUB 21 DISTRIBUTION (UK) LIMITED *(continued)*

Year Ended 31 December 2013

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Baker Tilly UK Audit LLP

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

30 September 2014
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CLUB 21 DISTRIBUTION (UK) LIMITED

PROFIT AND LOSS ACCOUNT

Year Ended 31 December 2013

		2013	2012
	Note	£	£
Turnover	2	(34,411)	6,246,333
Cost of sales		(9,448)	(4,258,826)
Gross (Loss)/Profit		(43,859)	1,987,507
Administrative expenses		(321,367)	(2,131,521)
Other operating income	3	1,716,232	2,957,834
Operating Profit	4/6	1,351,006	2,813,820
Attributable to:			
Operating profit before exceptional items		1,351,006	2,964,922
Impairment of tangible fixed assets	6	–	(151,102)
		1,351,006	2,813,820
Profit on disposal of discontinued operations		–	8,343,135
		1,351,006	11,156,955
Interest receivable	7	960,726	712,250
Profit on Ordinary Activities Before Taxation		2,311,732	11,869,205
Tax on profit on ordinary activities	8	83,612	(218,993)
Profit for the Financial Year		2,395,344	11,650,212

All of the activities of the Company are classed as discontinuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 8 to 15 form part of these financial statements.

CLUB 21 DISTRIBUTION (UK) LIMITED

Company Registration Number: 2817045

BALANCE SHEET**31 December 2013**

	Note	2013 £	2012 £
Fixed Assets			
Tangible assets	9	–	435,209
Current Assets			
Debtors due within one year	10	41,794,304	38,926,404
Debtors due after one year	10	9,695,323	9,695,323
Cash at bank		305,293	474,494
		<u>51,794,920</u>	<u>49,096,221</u>
Creditors: Amounts falling due within one year	11	<u>65,488</u>	<u>113,730</u>
Net Current Assets		51,729,432	48,982,491
Total Assets Less Current Liabilities		<u>51,729,432</u>	<u>49,417,700</u>
Provisions for Liabilities			
Deferred taxation	12	–	83,612
Net assets		<u>51,729,432</u>	<u>49,334,088</u>
Capital and Reserves			
Called-up equity share capital	14	500,000	500,000
Profit and loss account	15	51,229,432	48,834,088
Shareholders' Funds	16	<u>51,729,432</u>	<u>49,334,088</u>

These accounts were approved by the board and authorised for issue on 29 August 2014, and are signed on their behalf by:

Mr AC Roberts
Director



The notes on pages 8 to 15 form part of these financial statements.

CLUB 21 DISTRIBUTION (UK) LIMITED

CASH FLOW STATEMENT

Year Ended 31 December 2013

	Note	2013 £	2012 £
Net Cash Outflow from Operating Activities		(1,129,927)	(8,923,187)
Returns on Investments and Servicing of Finance	17	960,726	712,250
Capital Expenditure and Financial Investment	17	–	11,458
Acquisitions and Disposals	17	–	8,343,135
(Decrease)/Increase in Cash	17	(169,201)	143,656

Reconciliation of operating profit to net cash outflow from operating activities

	2013 £	2012 £
Operating profit	1,351,006	2,813,820
Depreciation	147,188	208,101
Loss on disposal of fixed assets	288,021	–
Decrease in stocks	–	392,235
Increase in debtors	(2,867,900)	(11,373,441)
Decrease in creditors	(48,242)	(1,115,004)
Other adjustments to reconciliation of operating profit to net cash in/outflow to operating activities 1	–	151,102
Net cash outflow from operating activities	(1,129,927)	(8,923,187)

The notes on pages 8 to 15 form part of these financial statements.

CLUB 21 DISTRIBUTION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2013

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover represents sales to customers at amounts less value added tax.

Going Concern

Although it is unlikely to continue as a going concern, the balance sheet, if produced on a break up basis would not be materially different. Thus the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Leasehold improvements	- over period of the lease
Motor Vehicles	- 25%
Furniture and equipment	- 20% - 33 1/3%

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 profits and its results as stated 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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating profit.

CLUB 21 DISTRIBUTION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2013

2. Turnover

Turnover is derived from wholesale of fashionwear principally to customers in the United Kingdom.

3. Other operating income

	2013 £	2012 £
Commission receivable	<u>1,716,232</u>	<u>2,957,834</u>

4. Operating profit

Operating profit is stated after charging:

	2013 £	2012 £
Normal depreciation of owned fixed assets	147,188	208,101
Impairment of tangible fixed assets	<u>—</u>	<u>151,102</u>
Loss on disposal of fixed assets	288,021	—
Auditor's remuneration		
- as auditor	5,600	8,410
Currency gain on exchange	<u>8,866</u>	<u>(62,650)</u>

5. Directors and employees

The average number of staff employed by the Company during the financial year amounted to:

	2013 No	2012 No
Selling and distribution	—	7
Administration	<u>2</u>	<u>11</u>
	<u>2</u>	<u>18</u>

The aggregate payroll costs of the above were:

	2013 £	2012 £
Wages and salaries	(1,592)	634,347
Social security costs	2,212	68,885
Other pension costs	<u>—</u>	<u>9,425</u>
	<u>620</u>	<u>712,657</u>

CLUB 21 DISTRIBUTION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2013

5. Directors and employees *(continued)*

The directors did not receive any remuneration from the company during the year (2012: £Nil).

6. Impairment of tangible fixed assets

	2013 £	2012 £
Recognised in arriving at operating profit: Impairment of tangible fixed assets	<u>-</u>	<u>(151,102)</u>

7. Interest receivable

	2013 £	2012 £
Bank interest receivable	-	47
Group interest receivable	<u>960,726</u>	<u>712,203</u>
	<u>960,726</u>	<u>712,250</u>

8. Taxation on ordinary activities

Analysis of charge in the year

	2013 £	2012 £
Deferred tax:		
Origination and reversal of timing differences	<u>(83,612)</u>	<u>218,993</u>

CLUB 21 DISTRIBUTION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2013

8. Taxation on ordinary activities *(continued)*

Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 23.25% (2012 - 24.50%).

	2013 £	2012 £
Profit on ordinary activities before taxation	<u>2,311,732</u>	<u>11,869,205</u>
Profit on ordinary activities by rate of tax	537,478	2,907,955
Effects of:		
Expenses not deductible for tax purposes	-	37,222
Capital allowances in excess of depreciation	(163,415)	(3,916)
Claim for group relief for which no payment is made	(374,063)	(2,941,107)
Other adjustment	-	(154)
Total current tax	<u>-</u>	<u>-</u>

9. Tangible fixed assets

	Leasehold improvements £	Furniture and equipment £	Total £
Cost			
At 1 January 2013	1,447,608	360,905	1,808,513
Disposals	(1,447,608)	(360,905)	(1,808,513)
At 31 December 2013	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation			
At 1 January 2013	1,015,915	357,389	1,373,304
Charge for the year	143,870	3,318	147,188
On disposals	(1,159,785)	(360,707)	(1,520,492)
At 31 December 2013	<u>-</u>	<u>-</u>	<u>-</u>
Net Book Value			
At 31 December 2013	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2012	<u>431,693</u>	<u>3,516</u>	<u>435,209</u>

CLUB 21 DISTRIBUTION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2013

10. Debtors

	2013	2012
	£	£
Trade debtors	4,180	429,339
Amounts owed by group undertakings	51,482,607	47,222,003
Other debtors	2,840	38,292
Prepayments and accrued income	—	932,093
	<u>51,489,627</u>	<u>48,621,727</u>

The debtors above include the following amounts falling due after more than one year:

	2013	2012
	£	£
Amounts owed by group undertakings	<u>9,695,323</u>	<u>9,695,323</u>

All other amounts shown under debtors fall due for payment within one year.

11. Creditors: Amounts falling due within one year

	2013	2012
	£	£
Trade creditors	57,633	47,910
Amounts owed to group undertakings	2,124	2,124
Other creditors	2,681	2,683
Accruals and deferred income	3,050	61,013
	<u>65,488</u>	<u>113,730</u>

12. Deferred taxation

The movement in the deferred taxation provision during the year was:

	2013	2012
	£	£
Provision brought forward	83,612	(135,381)
Profit and loss account movement arising during the year	(83,612)	218,993
Provision carried forward	<u>—</u>	<u>83,612</u>

CLUB 21 DISTRIBUTION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2013

12. Deferred taxation *(continued)*

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2013	2012
	£	£
Excess of taxation allowances over depreciation on fixed assets	-	83,612
	<u>-</u>	<u>83,612</u>

13. Related party transactions

The company has relied upon the exemption provided by Financial Reporting Standard No 8 Related Party Transactions from the disclosure of transactions with companies where the voting rights are wholly controlled within the group.

14. Share capital

Authorised share capital:

	2013	2012
	£	£
250 Ordinary Class A shares of £1,000 each	250,000	250,000
250 Ordinary Class B shares of £1,000 each	250,000	250,000
	<u>500,000</u>	<u>500,000</u>

Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
Ordinary Class A shares of £1,000 each	250	250,000	250	250,000
Ordinary Class B shares of £1,000 each	250	250,000	250	250,000
	<u>500</u>	<u>500,000</u>	<u>500</u>	<u>500,000</u>

The "A" and "B" shares rank pari passu in all respects

15. Profit and loss account

	2013	2012
	£	£
Balance brought forward	48,834,088	37,183,876
Profit for the financial year	2,395,344	11,650,212
Balance carried forward	<u>51,229,432</u>	<u>48,834,088</u>

CLUB 21 DISTRIBUTION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2013

16. Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Profit for the financial year	2,395,344	11,650,212
Opening shareholders' funds	49,334,088	37,683,876
Closing shareholders' funds	<u>51,729,432</u>	<u>49,334,088</u>

17. Notes to the cash flow statement

Returns on investments and servicing of finance

	2013 £	2012 £
Interest received	960,726	712,250
Net cash inflow from returns on investments and servicing of finance	<u>960,726</u>	<u>712,250</u>

Capital expenditure

	2013 £	2012 £
Receipts from sale of fixed assets	—	11,458
Net cash inflow from capital expenditure	<u>—</u>	<u>11,458</u>

Acquisitions and disposals

	2013 £	2012 £
Disposal of shares in group undertakings	—	8,343,135
Net cash inflow from acquisitions and disposals	<u>—</u>	<u>8,343,135</u>

Reconciliation of net cash flow to movement in net funds

	2013 £	2012 £
(Decrease)/Increase in cash in the period	(169,201)	143,656
Movement in net funds in the period	<u>(169,201)</u>	<u>143,656</u>
Net funds at 1 January 2013	474,494	330,838
Net funds at 31 December 2013	<u>305,293</u>	<u>474,494</u>

CLUB 21 DISTRIBUTION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2013

17. Notes to the cash flow statement *(continued)*

Analysis of changes in net funds

	At 1 Jan 2013 £	Cash flows £	At 31 Dec 2013 £
Cash in hand and at bank	474,494	(169,201)	305,293
Net funds	<u>474,494</u>	<u>(169,201)</u>	<u>305,293</u>

18. Ultimate parent company

Adobe Holdings Limited, a company incorporated in Gibraltar, is regarded by the directors as the company's ultimate parent company and controlling party.

The company's intermediate parent company is Oakshade Limited, a company incorporated in Gibraltar.