

Company Registration Number 02919688

IPI 21 (UK) LIMITED  
FINANCIAL STATEMENTS  
31 JANUARY 2007

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# **IPI 21 (UK) LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 JANUARY 2007**

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# **IPI 21 (UK) LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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<b>Director</b>	M Salomoni
<b>Company secretary</b>	Jordan Company Secretaries Limited
<b>Registered office</b>	65 Curzon Street London W1Y 8PE
<b>Auditors</b>	Deloitte & Touche LLP Chartered Accountants and Registered Auditors London

# **IPI 21 (UK) LIMITED**

## **DIRECTOR'S REPORT**

**YEAR ENDED 31 JANUARY 2007**

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The director presents his report and the audited financial statements of the company for the year ended 31 January 2007. This director's report has been prepared in accordance with the special provisions relating to small companies under section 246 (4) of the Companies Act 1985.

### **Principal activity**

The principal activity of the company during the year was that of an investment company.

### **Results**

The results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

It is proposed to transfer the retained profit for the year of £135,406 to reserves.

### **Director**

The director who served the company during the year was as follows:

M Salomoni

### **Director's responsibilities**

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for the year then ended.

In preparing those financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. The director is 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.

# **IPI 21 (UK) LIMITED**

## **DIRECTOR'S REPORT** *(continued)*

**YEAR ENDED 31 JANUARY 2007**

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### **Statement of disclosure of information to auditors**

In so far as the director is aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of S234A of the Companies Act 1985

### **Auditors**

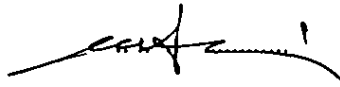
The company has electively resolved not to lay accounts to members in general meetings, not to hold Annual General Meetings and not to appoint auditors annually. Accordingly, Deloitte & Touche LLP will be deemed auditors for the forthcoming year.

### **Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed by

M Salomoni  
Director

  
6/8/07

# **IPI 21 (UK) LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

### **YEAR ENDED 31 JANUARY 2007**

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We have audited the financial statements of IPI 21 (UK) Limited for the year ended 31 January 2007 which comprise financial statements such as the Profit and Loss Account, the Balance Sheets and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 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 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 director and auditors**

The director's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of director's responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the director's report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## **IPI 21 (UK) LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS** *(continued)*

**YEAR ENDED 31 JANUARY 2007**

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#### **Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 January 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the director's report is consistent with the financial statements

#### **Emphasis of matter – Financial statements prepared on a basis other than that of a going concern**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern

*Deloitte & Touche LLP*

**DELOITTE & TOUCHE LLP**  
Chartered Accountants and  
Registered Auditors  
London, United Kingdom

*6<sup>th</sup> August 2007*

**IPI 21 (UK) LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 JANUARY 2007**

	Note	Year to 31 Jan 07 £	Period from 1 Jan 05 to 31 Jan 06 £
Turnover		—	—
Administrative expenses		—	—
<b>Operating profit</b>		—	—
Interest receivable and similar income	3	135,406	100,232
<b>Profit on ordinary activities before taxation</b>		135,406	100,232
Tax on profit on ordinary activities	4	—	—
<b>Profit for the financial year</b>		<u>135,406</u>	<u>100,232</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above and accordingly no statement of total recognised gains and losses is presented



# IPI 21 (UK) LIMITED

## BALANCE SHEET

31 JANUARY 2007

	Note	2007 £	2006 £
<b>Current assets</b>			
Debtors	5	<u>2,564,264</u>	<u>2,428,858</u>
<b>Total assets</b>		<u><u>2,564,264</u></u>	<u><u>2,428,858</u></u>
<b>Capital and reserves</b>			
Called-up share capital	7	750,000	750,000
Profit and loss account	8	<u>1,814,264</u>	<u>1,678,858</u>
<b>Shareholders' funds</b>	9	<u><u>2,564,264</u></u>	<u><u>2,428,858</u></u>

These financial statements were approved and signed by the director on 6/8/07

  
M Salomoni  
Director

# IPI 21 (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JANUARY 2007

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The following accounting policies have been applied consistently throughout the year and the preceding year

### 1. Accounting policies

#### 1.1 Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable law and accounting standards in the United Kingdom

#### 1.2 Basis of preparation

The financial statements are prepared under a basis other than going concern, as the company has ceased to trade

#### 1.3 Taxation

Current tax is provided at amounts expected to be paid (or received) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted.

#### 1.4 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### 1.5 Cashflow statement

The company has taken advantage of the exemption contained in FRS1 Cashflow statements, not to prepare a cashflow statement as it is a wholly owned subsidiary whose ultimate parent company prepares publicly available consolidated accounts which contain a cashflow statement.

### 2. Operating loss

Operating loss is stated after charging

	2007	2006
	£	£
Director's emoluments	—	—
Auditors' remuneration		
- audit services	—	—
- non audit services	—	—
	<u>—</u>	<u>—</u>

# **IPI 21 (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 31 JANUARY 2007**

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The auditors have received £2,500 for 2007 (2006 £2,726) The audit fee has been borne by another group company in 2007 and 2006

# IPI 21 (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JANUARY 2007

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### 3. Particulars of employees

There were no employees during the year apart from the director who did not receive any emoluments for his services (2006 £nil)

### 4. Interest receivable and similar income

	Year to 31 Jan 07 £	Period from 1 Jan 05 to 31 Jan 06 £
Interest receivable from group undertakings	<u>135,406</u>	<u>100,232</u>

### 5. Taxation on ordinary activities

#### 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 30% (2006 30%)

	Year to 31 Jan 07 £	Period from 1 Jan 05 to 31 Jan 06 £
Profit on ordinary activities before taxation	<u>135,406</u>	<u>100,232</u>
Profit on ordinary activities by rate of tax	<u>40,622</u>	<u>30,070</u>
Group relief for nil consideration	<u>(40,622)</u>	<u>(30,070)</u>
Total current tax	<u>—</u>	<u>—</u>

### 6. Debtors

	2007 £	2006 £
Amounts owed by group undertakings	<u>2,564,264</u>	<u>2,428,858</u>

Included in amounts owed by group undertakings is a monthly revolving loan that attracts an interest rate of LIBOR plus 1%

# IPI 21 (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JANUARY 2007

### 6. Related party transactions and controlling party

In the opinion of the director the immediate controlling party is Prada Holding B V

In the opinion of the director the ultimate controlling party is the Prada family and Marco Salomoni

The company has taken advantage of the exemption contained in FRS 8 "Related Party Disclosures" from disclosing transactions with entities which are part of the group, since 90% or more of the voting rights in the company are controlled within the group and the company is included within the group accounts which are publicly available

### 7. Share capital

	2007		2006	
	Number	£	Number	£
<b>Authorised share capital:</b>				
Ordinary shares of £1 each	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>
<b>Called up, allotted and fully paid:</b>				
Ordinary shares of £1 each	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>
<b>Equity shares</b>				
Ordinary shares of £1 each	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>

### 8. Reserves

	Profit and loss account £
Balance brought forward	1,678,858
Profit for the year	<u>135,406</u>
Balance carried forward	<u>1,814,264</u>

### 9. Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Profit for the financial year	135,406	100,232
Opening shareholders' funds	<u>2,428,858</u>	<u>2,328,626</u>
Closing shareholders' funds	<u>2,564,264</u>	<u>2,428,858</u>

### 10. Parent undertakings

The parent undertaking of the smallest and largest group of undertakings for which group financial statements are drawn up and of which the company is a member is Prada Holding B V , a company incorporated in The Netherlands. Copies of group financial statements are available from Dam 3-7, 1012 JS Amsterdam, The Netherlands

The ultimate parent company is Bellatrix Sarl, a company incorporated in Luxembourg