

REGISTERED NUMBER: 03011001

DE RIGO (UK) LIMITED

REPORT

AND

FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2017



DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2017.

Review of business and principal activities

The company's principal activity during the year continued to be the distribution of premium optical frames, sunglasses and accessories.

Results and dividends

The loss for the year after taxation was £39,956 (2016 – loss of £155,903). The directors do not recommend a final dividend.

Auditors

The company has elected (by elective resolution in accordance with s487 of the Companies Act 2006) to dispense with the annual re-appointment of auditors and accordingly KPMG LLP remain in office.

Directors' statements as to the disclosure of information to auditors

So far as all of the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Each director has taken all the steps that are obliged to be taken as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Going concern

The expectations for 2018 are to increase the share of the market with dedicated promotions and through an increased effort on minor brands, whilst significantly developing the penetration in both the multiple stores and the independent sector. However, such commercial effort will lead to an increase of operating expenses and to a negative result at year end.

The directors have considered future years results and cash flow projections and based on these projections the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Directors

The names of the persons who were directors during the period are as follows:

Mr. M. Aracri

Mr. M. De Rigo Piter

Mr. M Dessolis

Directors' interests in shares

There are no directors' interests that require disclosure under the Companies Act 2006.

DE RIGO (UK) LIMITED
DIRECTORS' REPORT (CONTINUED)

Registered Number: 03011001

Directors' liabilities

The company has indemnified its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision is in force as at the date of approving the directors' report.

This report has been prepared in accordance with the special provisions for small companies under Section 415A of the Companies Act 2006.

Strategic Report

The directors were entitled not to prepare a strategic report, in accordance with the small companies regime.

By order of the board

Mr. M Dessolis
Director



Date: 22 JUNE 2018

Registered Office:
Ground Floor, Unit 4,
Anglo Office Park, White Lion Road ,
Amersham,
Buckinghamshire
HP7 9FB

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS REPORT AND THE FINANCIAL STATEMENTS

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 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; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DE RIGO (UK) LIMITED**Opinion**

We have audited the financial statements of De Rigo (UK) Limited ("the company") for the year ended 31 December 2017 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

C. Anderson

Charlotte Anderson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
58 Clarendon Road,
Watford
WD17 1DE

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PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31st DECEMBER 2017

	<u>NOTES</u>	<u>2017</u> <u>£</u>	<u>2016</u> <u>£</u>
Turnover	2	3,061,897	2,765,054
Cost of sales		<u>(1,352,660)</u>	<u>(1,604,638)</u>
Gross profit		1,709,237	1,160,416
Administrative expenses		<u>(1,736,572)</u>	<u>(1,341,765)</u>
Operating (Loss)	3	(27,335)	(181,349)
Interest receivable and similar income	4	313	1,838
Interest payable and similar charges	5	<u>(20,833)</u>	<u>(14,268)</u>
(Loss) before taxation		(47,855)	(193,779)
Tax on Loss	8	<u>7,899</u>	<u>37,876</u>
(Loss) for the year	16	<u>(39,956)</u>	<u>(155,903)</u>

All of the operations of the company are continuing.

The company has no recognised gains and losses other than those included above, and therefore no separate statement of Other Comprehensive Income has been presented.

Notes on pages 9 to 14 form part of these financial statements

DE RIGO (UK) LIMITED**Registered Number: 03011001****BALANCE SHEET AT 31st DECEMBER 2017**

	<u>NOTES</u>	<u>2017</u> <u>£</u>	<u>2017</u> <u>£</u>	<u>2016</u> <u>£</u>	<u>2016</u> <u>£</u>
<u>Fixed assets</u>	10		21,215		26,196
<u>Current assets</u>					
Stocks	11	374,933		390,456	
Debtors	12	901,720		1,134,244	
Cash at bank and in hand		<u>434,800</u>		<u>577,212</u>	
		1,711,453		2,101,912	
<u>Current liabilities</u>					
Creditors: amounts falling due within one year	14	<u>(1,863,445)</u>		<u>(2,218,929)</u>	
<u>Net current assets</u>			<u>(151,992)</u>		<u>(117,017)</u>
<u>Total assets less current liabilities</u>			<u>(130,777)</u>		<u>(90,821)</u>
<u>Capital and reserves</u>					
Called up share capital	15		10,000		10,000
Profit & loss account	16		<u>(140,777)</u>		<u>(100,821)</u>
<u>Shareholders' funds</u>			<u>(130,777)</u>		<u>(90,821)</u>

Notes on pages 9 to 14 form part of these financial statements

These financial statements have been prepared in accordance with the special provisions for small companies under Section 415A of the Companies Act 2006 and were approved by the Board of Directors and signed on their behalf by:

Mr. M. Dessolis

Director

Date: 22 JUNE 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st DECEMBER 2017

	Called up share capital £	Profit and Loss Account £	Total Equity £
Balance at 1 January 2016	10,000	55,082	65,082
Total comprehensive income for the year			
Profit	-	(155,903)	(155,903)
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	(155,903)	(155,903)
Balance at 31 December 2016	<u>10,000</u>	<u>(100,821)</u>	<u>(90,821)</u>

	Called up share capital £	Profit and Loss Account £	Total Equity £
Balance at 1 January 2017	10,000	(100,821)	(90,821)
Total comprehensive income for the year			
Profit	-	(39,956)	(39,956)
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	(39,956)	(39,956)
Balance at 31 December 2017	<u>10,000</u>	<u>(140,777)</u>	<u>(130,777)</u>

Notes on pages 9 to 14 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS**31st DECEMBER 2017****1. Principal accounting policies*****(a) Basis of preparation***

De Rigo (UK) Limited is a private company incorporated, domiciled and registered in England. The registered office is Ground Floor, Unit 4, Anglo Office Park, White Lion Road, Amersham, Buckinghamshire HP7 9FB

The financial statements have been prepared in accordance with the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102").

The financial statements are prepared in sterling and rounded to the nearest £.

The directors have considered future cash flow projections and based on these projections the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

(b) Revenue Recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

Interest income

Income is recognised as interest accrues using the effective interest method.

(c) Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

(d) Stock

Stock comprises of goods purchased for resale and is stated at the lower of original cost incurred in bringing each product to its present location and condition, and net realisable value.

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

(e) Tangible fixed assets Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual

value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life, as follows:

Fixtures and Fittings	-	10% straight line per annum
Plant and machinery	-	20% to 33% straight line per annum

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

(f) Leasing Commitments

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

(g) Foreign Currencies

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

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

NOTES TO THE FINANCIAL STATEMENTS**31st DECEMBER 2017****1. Principal accounting policies (continued)***(h) Taxation*

Tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, except that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Turnover

An analysis of turnover by geographical market is given below:

	<u>2017</u> £	<u>2016</u> £
Sales – United Kingdom	2,817,453	2,378,571
Sales – Rest of the world	244,444	386,483
	<u>3,061,897</u>	<u>2,765,054</u>

3. Expenses and auditor's remuneration

	<u>2017</u> £	<u>2016</u> £
Included in profit and loss are the following:		
Auditor's remuneration – audit	17,333	17,460
Depreciation of tangible fixed assets	8,456	8,677
Hire of property and other lease expenditure	31,762	12,455

4. Interest receivable and similar income

	<u>2017</u> £	<u>2016</u> £
Bank interest received	313	347
Other interest income	—	1,491
	<u>313</u>	<u>1,838</u>

5. Interest payable and similar charges

	<u>2017</u> £	<u>2016</u> £
Intercompany interest payable	10,188	4,441
Other finance charges	10,645	9,827
	<u>20,833</u>	<u>14,268</u>

NOTES TO THE FINANCIAL STATEMENTS**31st DECEMBER 2017****6. Employee information**

The company subcontracts all of its human resource requirements from an affiliated company and therefore has no employees apart from the Directors as detailed in the Directors Report.

7. Emoluments of directors

The directors' have determined that their qualifying services to the company do not occupy a significant amount of their time. The directors have not received any remuneration for their qualifying services to the company for the periods ended 31st December 2017 and 31st December 2016.

8. Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
Current Tax		
Current tax on income for the period	-	-
Adjustments in respect of prior periods	-	(1,555)
Total current tax	-	(1,555)
Deferred Tax		
Origination and reversal of timing differences	(7,904)	(32,550)
Adjustments in respect of prior periods	5	(4,207)
Effect of tax rate change on opening balance	-	436
Total deferred tax	(7,899)	(36,321)
Total Tax	(7,899)	(37,876)

Reconciliation of effective tax rate

	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
(Loss) on ordinary activities before taxation	(47,855)	(193,779)
(Loss) on ordinary activities at standard rate of 19.25% (2016 20.0.%)	(9,210)	(38,756)
<i>Effects of:</i>		
Fixed asset differences	262	272
Expenses not deductible for tax purposes	-	190
Adjustment to tax charge in respect of previous periods	5	(5,762)
Effect of tax rate change	1,044	6,180
Total tax (credit) included in profit or loss	(7,899)	(37,876)

Factors affecting the future tax charge

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. A further reduction to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015, and an additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

NOTES TO THE FINANCIAL STATEMENTS**31st DECEMBER 2017****9. Operating Lease**

Non-cancellable operating lease rentals are payable as follows:

	2017		2016	
	<u>Land & Buildings</u>	<u>Other</u>	<u>Land & Buildings</u>	<u>Other</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Within one year	11,866	-	31,845	-
In two to five years	-	-	11,866	-
More than five years	-	-	-	-
	<u>11,866</u>	<u>-</u>	<u>43,711</u>	<u>-</u>

During the year £31,762 was recognised as an expense in the profit and loss account in respect of operating leases (2016: £12,455).

10. Tangible fixed assets

	<u>Fixtures & Fittings</u>	<u>Plant & Machinery</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>
<u>Cost</u>			
At 31 st December 2016	31,188	85,025	116,213
Additions	-	3,475	3,475
At 31 st December 2017	<u>31,188</u>	<u>88,500</u>	<u>119,688</u>
<u>Depreciation</u>			
At 31 st December 2016	13,443	76,574	90,017
Charge for the period	<u>2,692</u>	<u>5,764</u>	<u>8,456</u>
At 31 st December 2017	<u>16,135</u>	<u>82,338</u>	<u>98,473</u>
<u>Net book value</u>			
At 31 st December 2017	<u>15,053</u>	<u>6,162</u>	<u>21,215</u>
At 31 st December 2016	<u>17,745</u>	<u>8,451</u>	<u>26,196</u>

11. Stocks

	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
Finished goods and goods for resale	<u>374,933</u>	<u>390,456</u>

The difference between the purchase price of stock and its replacement cost is not material.

NOTES TO THE FINANCIAL STATEMENTS**31st DECEMBER 2017****12. Debtors: amounts falling due within one year**

	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
Trade debtors	807,473	1,053,864
Prepayments and accrued income	46,392	40,424
Deferred tax	<u>47,855</u>	<u>39,956</u>
	<u>901,720</u>	<u>1,134,244</u>

13. Deferred Taxation

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset the associated current tax assets and liabilities.

Deferred tax (assets)/liabilities recognised in the financial statements are attributable to the following after offset:

Deferred Tax	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
Accelerated capital allowances	860	1,580
Short term timing differences	(5,197)	(4,248)
Tax losses carried forward	<u>(43,518)</u>	<u>(37,288)</u>
	<u>(47,855)</u>	<u>(39,956)</u>
Roll forward of deferred tax:		<u>£</u>
Balance brought forward at 1 st January 2017		<u>(39,956)</u>
Credit to profit and loss account		(7,899)
Balance carried forward at 31 st December 2017		<u>(47,855)</u>

14. Creditors: amounts falling due within one year

	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
Trade creditors	190,502	261,379
Amounts owed to other group companies	1,530,984	1,758,871
Other taxation and social security	17,358	101,256
Accruals and deferred income	<u>124,601</u>	<u>97,423</u>
	<u>1,863,445</u>	<u>2,218,929</u>

NOTES TO THE FINANCIAL STATEMENTS**31st DECEMBER 2017****15. Share Capital**

	<u>Authorised, allotted, called up and fully paid</u>		<u>Authorised, allotted, called up and fully paid</u>	
	<u>2017 Number</u>	<u>2017 £</u>	<u>2016 Number</u>	<u>2016 £</u>
£1 ordinary shares	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

16. Profit and Loss Account

	<u>£</u>
At 31st December 2016	<u>(100,821)</u>
Retained loss for the period	<u>(39,956)</u>
Balance at 31st December 2017	<u>(140,777)</u>

17. Exemption from cash flow statements

The Company is exempt from the requirements of FRS 102 to present a cash flow statement as the company is wholly owned with the ultimate parent company presenting publicly available consolidated accounts that include the Company.

18. Related party transactions

The company has taken advantage of the exemption under FRS 102 not to disclose transactions with other wholly owned members of the De Rigo S.p.A. Group as consolidated financial statements in which De Rigo (UK) Limited is included are available from the address below.

19. Ultimate parent company

The company is a wholly owned subsidiary of De Rigo Vision S.p.A.

The ultimate controlling party and holding company is De Rigo S.p.A., a company incorporated in Italy. The smallest and largest group in which the company is included within the group financial statements is that of De Rigo S.p.A., copies of which can be obtained from Zona Industriale Villanova, 12, 32013 Longarone (BL), Italy.