

Strategic Report, Report of the Director and
Audited Financial Statements for the Year Ended 31 December 2015
for
Fashoff UK Limited

Ward Divecha Limited
Chartered Accountants &
Statutory Auditors
29 Welbeck Street
London
W1G 8DA



Fashoff UK Limited (Registered number: 03405119)

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for the Year Ended 31 December 2015

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Fashoff UK Limited

Company Information
for the Year Ended 31 December 2015

DIRECTOR:	M Tassinari
REGISTERED OFFICE:	28/29 Conduit Street London W1S 2YB
REGISTERED NUMBER:	03405119
AUDITORS:	Ward Divecha Limited Chartered Accountants & Statutory Auditors 29 Welbeck Street London W1G 8DA
BANKERS:	National Westminster Bank Plc 180 Brompton Road Knightsbridge London SW3 1HL

Strategic Report
for the Year Ended 31 December 2015

The director presents his strategic report for the year ended 31 December 2015.

REVIEW OF BUSINESS

Fashoff UK Limited is the wholly owned subsidiary of Italian Luxury Fashion House, Moschino SPA. Fashoff UK sells Moschino products through Retail, Wholesale and Distribution channel.

The distribution business has been integrated into the wholesale channel to simplify operations. This will have a significant effect on company turnover.

Fashoff also sells Alberta Ferretti products through its wholesale channel and is responsible for the PR and administration of the Alberta Ferretti Brand in the UK and Ireland.

During 2015 the turnover as shown in the financial statements is £3,741,264 (2014:£4,185,634). The reduction in turnover is due to integration of the distribution business into the wholesale unit. As distribution sales are no longer direct to the end customer, turnover through this channel is generated by commission only. The change in the nature of the business also had an impact on gross margins.

We are hopeful for another good year in 2016 however, like many UK business the macro economic uncertainty surrounding Brexit does make forecasts more difficult to plan.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's principal financial instruments comprise bank balances and trade creditors. The main purpose of these instruments is to provide finance for its day to day operation.

Due to the nature of the financial instruments there is little exposure to price risks other than normal inflationary risks.

The trade creditors liquidity risks are managed by ensuring sufficient funds are available to meet the amounts due.

ON BEHALF OF THE BOARD:



M Tassinari - Director

28 September 2016

Fashoff UK Limited (Registered number: 03405119)

Report of the Director
for the Year Ended 31 December 2015

The director presents his report with the financial statements of the company for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of retail and wholesale of fashion garments.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2015.

DIRECTORS

The directors who have held office during the period from 1 January 2015 to the date of this report are as follows:

A Indaimo - resigned 11 June 2015

A Varisco - resigned 24 June 2015

M Tassinari - appointed 11 June 2015

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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;
- 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 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 him to ensure that the financial statements comply with the Companies Act 2006. He 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Fashoff UK Limited (Registered number: 03405119)

Report of the Director
for the Year Ended 31 December 2015

AUDITORS

The auditors, Ward Divecha Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'M Tassinari', with a long horizontal flourish extending to the right.

M Tassinari - Director

28 September 2016

**Report of the Independent Auditors to the Members of
Fashoff UK Limited**

We have audited the financial statements of Fashoff UK Limited for the year ended 31 December 2015 on pages seven to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 a Report of the Auditors 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

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Director to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of
Fashoff UK Limited

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Adil Divecha (Senior Statutory Auditor)
for and on behalf of Ward Divecha Limited
Chartered Accountants &
Statutory Auditors
29 Welbeck Street
London
W1G 8DA

29 September 2016

Fashoff UK Limited (Registered number: 03405119)

Statement of Comprehensive Income
for the Year Ended 31 December 2015

		2015		2014	
	Notes	£	£	£	£
TURNOVER	2		3,741,264		4,185,634
Cost of sales			1,556,790		1,574,724
GROSS PROFIT			2,184,474		2,610,910
Distribution costs		493,826		527,735	
Administrative expenses		1,578,396		1,520,267	
			2,072,222		2,048,002
			112,252		562,908
Other operating income			62,731		39,000
OPERATING PROFIT	4		174,983		601,908
Interest receivable and similar income			40		100
			175,023		602,008
Interest payable and similar charges	5		38,480		3
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			136,543		602,005
Tax on profit on ordinary activities	6		28		49
PROFIT FOR THE FINANCIAL YEAR			136,515		601,956
OTHER COMPREHENSIVE INCOME			-		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			136,515		601,956

The notes form part of these financial statements

Fashoff UK Limited (Registered number: 03405119)

Statement of Financial Position

31 December 2015

		2015	2014
	Notes	£	£
FIXED ASSETS			
Tangible assets	7	797,352	706,464
Investments	8	100	100
		<u>797,452</u>	<u>706,564</u>
CURRENT ASSETS			
Stocks	9	354,584	482,338
Debtors	10	1,085,591	1,700,461
Cash at bank and in hand		126,109	253,434
		<u>1,566,284</u>	<u>2,436,233</u>
CREDITORS			
Amounts falling due within one year	11	768,350	869,598
NET CURRENT ASSETS		<u>797,934</u>	<u>1,566,635</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,595,386</u>	<u>2,273,199</u>
CREDITORS			
Amounts falling due after more than one year	12	1,182,452	1,996,780
NET ASSETS		<u><u>412,934</u></u>	<u><u>276,419</u></u>
CAPITAL AND RESERVES			
Called up share capital	14	1,550,000	1,550,000
Retained earnings	15	(1,137,066)	(1,273,581)
SHAREHOLDERS' FUNDS		<u><u>412,934</u></u>	<u><u>276,419</u></u>

The financial statements were approved by the director on 28 September 2016 and were signed by:



M Tassinari - Director

The notes form part of these financial statements

Fashoff UK Limited (Registered number: 03405119)

Statement of Changes in Equity
for the Year Ended 31 December 2015

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2014	1,550,000	(1,875,537)	(325,537)
Changes in equity			
Total comprehensive income	-	601,956	601,956
Balance at 31 December 2014	<u>1,550,000</u>	<u>(1,273,581)</u>	<u>276,419</u>
Changes in equity			
Total comprehensive income	-	136,515	136,515
Balance at 31 December 2015	<u><u>1,550,000</u></u>	<u><u>(1,137,066)</u></u>	<u><u>412,934</u></u>

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2015

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the costs less estimated residual value of each asset over its expected useful life, as follows:

Long life leasehold improvements	Over the period of the lease on a straight line basis
Short life leasehold improvements	25% straight line
Plant and machinery	25% straight line
Fixtures, fittings & equipment	25% straight line

Stocks

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

Deferred tax

Deferred tax is provided in respect of all timing differences that have originated but not been reversed by 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. Deferred tax assets are recognised to the extent that it is considered more likely than not that they will be recovered.

Deferred tax assets and liabilities are calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. The company does not discount deferred tax assets and liabilities.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position 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 result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

1. ACCOUNTING POLICIES - continued

Leasing

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

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Going concern

Moschino Spa, the company's parent company, has confirmed that it will provide such financial assistance as is necessary to support the company for foreseeable future. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

2. TURNOVER

The turnover and profit before taxation are attributed to the principal activities of the company. This being the wholesale and retail sales clothing.

The total turnover of the company for the year has been derived from its principal activities wholly undertaken in the United Kingdom.

	2015 £	2014 £
Sale of goods	2,177,043	2,526,918
Commission income	1,069,221	1,163,716
PR recharge	495,000	495,000
	<u>3,741,264</u>	<u>4,185,634</u>

3. STAFF COSTS

	2015 £	2014 £
Wages and salaries	506,373	499,950
Social security costs	73,337	70,878
Other pension costs	8,500	7,500
	<u>588,210</u>	<u>578,328</u>

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

	2015	2014
Retail Sales	4	4
Wholesale	4	4
Management & Administration	4	4
Press	2	2
	<u>14</u>	<u>14</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2015	2014
	£	£
Depreciation - owned assets	121,367	96,175
Auditors' remuneration	5,600	5,600
Auditors' remuneration for non audit work	1,000	1,000
Foreign exchange differences	(100,931)	(57,272)
	<u><u> </u></u>	<u><u> </u></u>
Directors' remuneration	<u><u> </u></u>	<u><u> </u></u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	£	£
Bank interest paid	-	3
Interest on intercompany loan	38,480	-
	<u><u>38,480</u></u>	<u><u> </u></u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2015	2014
	£	£
Current tax:		
UK corporation tax	28	20
Under/(over) provision for previous year	-	29
	<u><u> </u></u>	<u><u> </u></u>
Tax on profit on ordinary activities	<u><u>28</u></u>	<u><u>49</u></u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>136,543</u>	<u>602,005</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2014 - 20%)	27,309	120,401
Effects of:		
Expenses not deductible for tax purposes	5,177	4,699
Capital allowances in excess of depreciation	(20,757)	-
Depreciation in excess of capital allowances	-	14,856
Utilisation of tax losses	(11,721)	(139,936)
Adjustments to tax charge in respect of previous periods	<u>20</u>	<u>29</u>
Total tax charge	<u>28</u>	<u>49</u>

7. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 January 2015	1,678,349	19,089	49,673	1,747,111
Additions	<u>208,359</u>	<u>3,896</u>	<u>-</u>	<u>212,255</u>
At 31 December 2015	<u>1,886,708</u>	<u>22,985</u>	<u>49,673</u>	<u>1,959,366</u>
DEPRECIATION				
At 1 January 2015	980,047	15,545	45,055	1,040,647
Charge for year	<u>115,529</u>	<u>2,792</u>	<u>3,046</u>	<u>121,367</u>
At 31 December 2015	<u>1,095,576</u>	<u>18,337</u>	<u>48,101</u>	<u>1,162,014</u>
NET BOOK VALUE				
At 31 December 2015	<u>791,132</u>	<u>4,648</u>	<u>1,572</u>	<u>797,352</u>
At 31 December 2014	<u>698,302</u>	<u>3,544</u>	<u>4,618</u>	<u>706,464</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

8. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2015 and 31 December 2015	<u>100</u>
NET BOOK VALUE	
At 31 December 2015	<u>100</u>
At 31 December 2014	<u>100</u>

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Moschino UK LTD

Nature of business: Dormant

	% holding	2015 £	2014 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		<u>1</u>	<u>1</u>

9. STOCKS

	2015 £	2014 £
Finished goods	<u>354,584</u>	<u>482,338</u>

During the year company created the following provision for stock write-off.

	2015 £	2014 £
Stock write-downs	<u>44,240</u>	<u>51,977</u>

The amount of stock recognised as an expense in cost of sales during the year is as follows:

	2015 £	2014 £
Carrying amount of stock sold	<u>1,556,790</u>	<u>1,574,724</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Trade debtors	21,074	244,807
Amounts owed by group undertakings	119,617	510,118
Other debtors	5,851	1,708
VAT	19,559	-
Prepayments and accrued income	919,490	943,828
	<u>1,085,591</u>	<u>1,700,461</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Bank loans and overdrafts (see note 13)	2,706	2,548
Trade creditors	461,898	624,187
Amounts owed to group undertakings	258,723	195,225
Tax	28	20
Social security and other taxes	13,116	37,018
Accruals and deferred income	31,879	10,600
	<u>768,350</u>	<u>869,598</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015	2014
	£	£
Other loans (see note 13)	<u>1,182,452</u>	<u>1,996,780</u>

13. LOANS

An analysis of the maturity of loans is given below:

	2015	2014
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>2,706</u>	<u>2,548</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>1,182,452</u>	<u>1,996,780</u>

Parent company had guaranteed Overdraft facility.

The loan of £1,182,452 is from Moschino SPA (Parent Company) and is repayable at 31.12.2020. The loan is denominated in Sterling. The loan is charged interest at a rate of 1.5% plus LIBOR.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015 £	2014 £
1,550,000	Ordinary	1	<u>1,550,000</u>	<u>1,550,000</u>

15. RESERVES

	Retained earnings £
At 1 January 2015	(1,273,581)
Profit for the year	<u>136,515</u>
At 31 December 2015	<u>(1,137,066)</u>

16. ULTIMATE PARENT COMPANY

The immediate parent company is Moschino S.p.a, a company registered in Italy. The Directors consider the ultimate parent company to be AEFEE S.p.a, a company registered in Italy.

17. OTHER FINANCIAL COMMITMENTS

The Company leases a building under an operating lease which will expire on 28th of September 2022. There is no break clause. The remaining minimum lease period is therefore approximately 6 years.

The total minimum lease payments under non-cancellable operating leases are payable as follows:-

	Land and Buildings	
	2015	2014
Expiry date:	£	£
Within one year	670,000	670,000
After one year but within five years	<u>3,182,500</u>	<u>3,852,500</u>
	<u>3,852,500</u>	<u>4,522,500</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

18. RELATED PARTY DISCLOSURES

The company is 100% subsidiary of its immediate parent company, Moschino S.p.a. Moschino S.p.a is jointly owned by AEFfe S.p.a (70%) and SINV S.p.a (30%). The following related party transactions, which do not qualify for exemption from disclosure under the terms of FRS102, were made during the year with entities that were members of groups of which either AEFfe S.p.a or SINV S.p.a are the ultimate parent company.

	Sales	Purchases	Debtors	Creditors
	2015	2015	2015	2015
	£	£	£	£
AEFFE S.p.a	570,040	477,029	166,709	424,985
AEFFE UK	62,731	-	22,706	-
Moschino France	25,231	26,225	6,543	-
Moschino GMBH	1,246	3,459	-	-
Moschino SPA	715,923	127,292	298,978	272,835
Aeffe USA	-	-	-	447
Pollini SPA	350,448	35,191	45,062	380
Velmar SPA	43,061	-	19,821	279

	2015	2014
	£	£
Key management personnel compensation	212,000	215,000

19. FIRST YEAR ADOPTION

There are no transitional adjustment arising due to FRS102 adoption.