

REGISTERED NUMBER: 03405119 (England and Wales)

Strategic Report, Report of the Directors and
Audited Financial Statements for the Year Ended 31 December 2016
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 2016

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Fashoff UK Limited

Company Information
for the Year Ended 31 December 2016

DIRECTORS:

M Tassinari
G Maggio

REGISTERED OFFICE:

28/29 Conduit Street
London
W1S 2YB

REGISTERED NUMBER:

03405119 (England and Wales)

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 2016

The directors present their strategic report for the year ended 31 December 2016.

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 2016 the turnover as shown in the financial statements is £3,371,376 (2015: £3,741,264). 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 2017 however, like many UK business the macro economic uncertainty surrounding Brexit does make forecasts more difficult to plan.

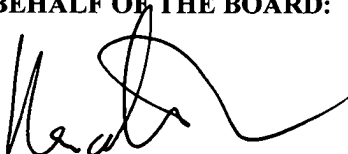
PRINCIPAL RISKS AND UNCERTAINTIES

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

20 September 2017

Report of the Directors
for the Year Ended 31 December 2016

The directors present their report with the financial statements of the company for the year ended 31 December 2016.

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 2016.

DIRECTORS

M Tassinari has held office during the whole of the period from 1 January 2016 to the date of this report.

Other changes in directors holding office are as follows:

G Maggio - appointed 4 July 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 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 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are 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 each director 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 Directors
for the Year Ended 31 December 2016

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 read 'M Tassinari', followed by a long horizontal flourish.

M Tassinari - Director

20 September 2017

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 2016 on pages seven to eighteen. 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 directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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 directors; 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 Directors 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 2016 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, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Strategic Report or the Report of the Directors.

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 directors' 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

21 September 2017

Fashoff UK Limited (Registered number: 03405119)

Statement of Comprehensive Income
for the Year Ended 31 December 2016

		2016		2015	
	Notes	£	£	£	£
TURNOVER	3		3,371,376		3,741,264
Cost of sales			728,012		1,556,790
GROSS PROFIT			2,643,364		2,184,474
Distribution costs		510,952		493,826	
Administrative expenses		1,769,441		1,578,396	
			2,280,393		2,072,222
			362,971		112,252
Other operating income			60,194		62,731
OPERATING PROFIT	5		423,165		174,983
Interest receivable and similar income			40		40
			423,205		175,023
Interest payable and similar expenses	6		25,476		38,480
PROFIT BEFORE TAXATION			397,729		136,543
Tax on profit	7		80,000		28
PROFIT FOR THE FINANCIAL YEAR			317,729		136,515
OTHER COMPREHENSIVE INCOME			-		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			317,729		136,515

The notes form part of these financial statements

Statement of Financial Position
31 December 2016

		2016		2015	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	8		709,683		797,352
Investments	9		100		100
			<u>709,783</u>		<u>797,452</u>
CURRENT ASSETS					
Stocks	10	471,735		354,584	
Debtors	11	1,444,988		1,085,591	
Cash at bank and in hand		231,929		126,109	
		<u>2,148,652</u>		<u>1,566,284</u>	
CREDITORS					
Amounts falling due within one year	12	936,340		768,350	
NET CURRENT ASSETS			<u>1,212,312</u>		<u>797,934</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,922,095</u>		<u>1,595,386</u>
CREDITORS					
Amounts falling due after more than one year	13		1,191,432		1,182,452
NET ASSETS			<u>730,663</u>		<u>412,934</u>
CAPITAL AND RESERVES					
Called up share capital	15		1,550,000		1,550,000
Retained earnings	16		(819,337)		(1,137,066)
SHAREHOLDERS' FUNDS			<u>730,663</u>		<u>412,934</u>

The financial statements were approved by the Board of Directors on 20 September 2017 and were signed on its behalf by:



M Tassinari - Director

Fashoff UK Limited (Registered number: 03405119)

Statement of Changes in Equity
for the Year Ended 31 December 2016

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2015	1,550,000	(1,273,581)	276,419
Changes in equity			
Total comprehensive income	-	136,515	136,515
Balance at 31 December 2015	<u>1,550,000</u>	<u>(1,137,066)</u>	<u>412,934</u>
Changes in equity			
Total comprehensive income	-	317,729	317,729
Balance at 31 December 2016	<u><u>1,550,000</u></u>	<u><u>(819,337)</u></u>	<u><u>730,663</u></u>

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2016

1. STATUTORY INFORMATION

Fashoff UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. 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

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Stocks

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

Taxation

Taxation for the year comprises current and deferred tax. 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 equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Investments

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

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.

Trade and other creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as creditors falling due within one year if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as creditors falling due after one year.

Trade creditors are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

Trade and other debtors

Trade debtors are amounts due from customers for services provided in the ordinary course of business. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally the invoice price, less any allowances for doubtful debts.

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.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

3. 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.

	2016	2015
	£	£
Sale of goods	1,425,490	2,177,043
Commission income	1,450,886	1,069,221
PR recharge	495,000	495,000
	<u>3,371,376</u>	<u>3,741,264</u>

4. EMPLOYEES AND DIRECTORS

	2016	2015
	£	£
Wages and salaries	605,636	506,373
Social security costs	75,352	73,337
Other pension costs	9,199	8,500
	<u>690,187</u>	<u>588,210</u>

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

	2016	2015
Retail Sales	5	4
Wholesale	4	4
Management & Administration	2	4
Press	2	2
	<u>13</u>	<u>14</u>

	2016	2015
	£	£
Directors' remuneration	<u>42,907</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

5. OPERATING PROFIT

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

	2016	2015
	£	£
Depreciation - owned assets	122,447	121,367
Auditors' remuneration	5,600	5,600
Auditors' remuneration for non audit work	1,000	1,000
Foreign exchange differences	54,447	(100,931)
Key management personnel compensation	264,407	212,000
	<u>264,407</u>	<u>212,000</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2016	2015
	£	£
Interest on intercompany loan	25,476	38,480
	<u>25,476</u>	<u>38,480</u>

7. TAXATION

Analysis of the tax charge

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

	2016	2015
	£	£
Current tax:		
UK corporation tax	80,000	28
	<u>80,000</u>	<u>28</u>
Tax on profit	<u>80,000</u>	<u>28</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2016**

7. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	2016	2015
	£	£
Profit before tax	397,729	136,543
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	79,546	27,309
Effects of:		
Expenses not deductible for tax purposes	2,565	5,177
Capital allowances in excess of depreciation	-	(20,757)
Depreciation in excess of capital allowances	15,419	-
Utilisation of tax losses	(8,008)	(11,721)
Under/ Overprovision provision of taxes	(9,522)	20
Total tax charge	80,000	28

8. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 January 2016	1,886,708	22,985	49,673	1,959,366
Additions	28,159	2,069	4,550	34,778
At 31 December 2016	1,914,867	25,054	54,223	1,994,144
DEPRECIATION				
At 1 January 2016	1,095,576	18,337	48,101	1,162,014
Charge for year	117,539	2,696	2,212	122,447
At 31 December 2016	1,213,115	21,033	50,313	1,284,461
NET BOOK VALUE				
At 31 December 2016	701,752	4,021	3,910	709,683
At 31 December 2015	791,132	4,648	1,572	797,352

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

9. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2016 and 31 December 2016	<u>100</u>
NET BOOK VALUE	
At 31 December 2016	<u>100</u>
At 31 December 2015	<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

Registered office:

Nature of business: Dormant

Class of shares:	% holding
Ordinary	100.00

	2016	2015
	£	£
Aggregate capital and reserves	<u>1</u>	<u>1</u>

10. STOCKS

	2016	2015
	£	£
Finished goods	<u>471,735</u>	<u>354,584</u>

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

	2016	2015
	£	£
Stock write-downs	<u>47,364</u>	<u>44,240</u>

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

	2016	2015
	£	£
Carrying amount of stock sold	<u>728,012</u>	<u>1,556,790</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2016**

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade debtors	28,468	21,074
Amounts owed by group undertakings	436,873	119,617
Other debtors	15,532	5,851
VAT	-	19,559
Prepayments and accrued income	964,115	919,490
	<u>1,444,988</u>	<u>1,085,591</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Bank loans and overdrafts (see note 14)	-	2,706
Trade creditors	307,149	461,898
Amounts owed to group undertakings	459,917	258,723
Tax	80,028	28
Social security and other taxes	37,379	13,116
VAT	17,118	-
Accruals and deferred income	34,749	31,879
	<u>936,340</u>	<u>768,350</u>

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

	2016	2015
	£	£
Other loans (see note 14)	<u>1,191,432</u>	<u>1,182,452</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2016	2015
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>-</u>	<u>2,706</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>1,191,432</u>	<u>1,182,452</u>

Parent company had guaranteed Overdraft facility.

The loan of £1,191,432 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 2016

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2016	2015
Number:	Class:		£	£
1,550,000	Ordinary	1	<u>1,550,000</u>	<u>1,550,000</u>

16. RESERVES

	Retained earnings £
At 1 January 2016	(1,137,066)
Profit for the year	<u>317,729</u>
At 31 December 2016	<u>(819,337)</u>

17. 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 AEFPE S.p.a, a company registered in Italy.

18. 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 2016 £	Buildings 2015 £
Expiry date:		
Within one year	670,000	670,000
After one year but within five years	<u>2,512,500</u>	<u>3,182,500</u>
	<u>3,182,500</u>	<u>3,852,500</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

19. 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
	2016	2016	2016	2016
	£	£	£	£
AEFFE S.p.a	786,593	504,020	178,694	-
AEFFE UK	60,194	-	55,985	-
Moschino France	24,764	56,434	-	24,371
Aeffe Retail	-	-	-	1,615
Moschino SPA	614,912	270,733	218,445	651,867
Aeffe USA	-	-	1,014	1,523
Pollini SPA	383,840	26,851	170,047	14,246
Velmar SPA	78,215	3,938	48,409	2,016