

**REGISTERED NUMBER: 03405119 (England and Wales)**

**Strategic Report, Report of the Directors and**  
**Audited Financial Statements for the Year Ended 31 December 2017**  
**for**  
**Fashoff UK Limited**

Ward Divecha Limited  
29 Welbeck Street  
London  
W1G 8DA



**Fashoff UK Limited (Registered number: 03405119)**

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**for the Year Ended 31 December 2017**

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**Fashoff UK Limited**

**Company Information**  
**for the Year Ended 31 December 2017**

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**DIRECTORS:**

M Tassinari  
G Maggio

**REGISTERED OFFICE:**

28/29 Conduit Street  
London  
W1S 2YB

**REGISTERED NUMBER:**

03405119 (England and Wales)

**AUDITORS:**

Ward Divecha Limited  
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 2017**

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The directors present their strategic report for the year ended 31 December 2017.

**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 and Wholesale channels.

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 2017 the turnover as shown in the financial statements is £3,913,656 (2016: £3,371,376). The increase in turnover is due to improvement in sales across the whole business particularly retail and the menswear wholesale channel.

We are hopeful for a another solid year in 2018 however, like many UK businesses the macroeconomic picture surrounding UK does make forecasting very difficult.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risk and uncertainties are:

**Price risk**

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

**Liquidity risk**

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

**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

24 September 2018

**Report of the Directors**  
**for the Year Ended 31 December 2017**

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The directors present their report with the financial statements of the company for the year ended 31 December 2017.

**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 2017.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

M Tassinari  
G Maggio

**FINANCIAL INSTRUMENTS**

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.

**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.

**Fashoff UK Limited (Registered number: 03405119)**

**Report of the Directors**  
**for the Year Ended 31 December 2017**

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**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.

**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

24 September 2018

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

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### **Opinion**

We have audited the financial statements of Fashoff UK Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the 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
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

**Responsibilities of directors**

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, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.



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

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**Use of our report**

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.



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

25 September 2018

**Fashoff UK Limited (Registered number: 03405119)**

**Statement of Comprehensive Income**  
**for the Year Ended 31 December 2017**

		2017		2016	
	Notes	£	£	£	£
<b>TURNOVER</b>	3		<b>3,913,656</b>		<b>3,371,376</b>
Cost of sales			<b>940,116</b>		<b>728,012</b>
<b>GROSS PROFIT</b>			<b>2,973,540</b>		<b>2,643,364</b>
Distribution costs		<b>456,497</b>		510,952	
Administrative expenses		<b>1,890,159</b>		1,769,441	
			<b>2,346,656</b>		<b>2,280,393</b>
			<b>626,884</b>		<b>362,971</b>
Other operating income			<b>54,936</b>		<b>60,194</b>
<b>OPERATING PROFIT</b>	5		<b>681,820</b>		<b>423,165</b>
Interest receivable and similar income			<b>28</b>		<b>40</b>
			<b>681,848</b>		<b>423,205</b>
Interest payable and similar expenses	6		<b>17,049</b>		<b>25,476</b>
<b>PROFIT BEFORE TAXATION</b>			<b>664,799</b>		<b>397,729</b>
Tax on profit	7		<b>179,572</b>		<b>80,000</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>			<b>485,227</b>		<b>317,729</b>
<b>OTHER COMPREHENSIVE INCOME</b>			<b>-</b>		<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			<b>485,227</b>		<b>317,729</b>

The notes form part of these financial statements

**Fashoff UK Limited (Registered number: 03405119)**

**Statement of Financial Position**  
**31 December 2017**

		2017		2016	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	8		<b>591,841</b>		709,683
Investments	9		<b>100</b>		100
			<b>591,941</b>		709,783
<b>CURRENT ASSETS</b>					
Stocks	10	<b>528,777</b>		471,735	
Debtors	11	<b>2,236,797</b>		1,444,988	
Cash at bank and in hand		<b>272,636</b>		231,929	
		<b>3,038,210</b>		2,148,652	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<b>1,958,162</b>		936,340	
<b>NET CURRENT ASSETS</b>			<b>1,080,048</b>		1,212,312
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>1,671,989</b>		1,922,095
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		<b>(425,527)</b>		(1,191,432)
<b>PROVISIONS FOR LIABILITIES</b>	15		<b>(30,572)</b>		-
<b>NET ASSETS</b>			<b>1,215,890</b>		730,663
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		<b>1,550,000</b>		1,550,000
Retained earnings	17		<b>(334,110)</b>		(819,337)
<b>SHAREHOLDERS' FUNDS</b>			<b>1,215,890</b>		730,663

The financial statements were approved by the Board of Directors on 24 September 2018 and were signed on its behalf 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 2017**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 1 January 2016</b>	1,550,000	(1,137,066)	412,934
<b>Changes in equity</b>			
Total comprehensive income	-	317,729	317,729
<b>Balance at 31 December 2016</b>	<u>1,550,000</u>	<u>(819,337)</u>	<u>730,663</u>
<b>Changes in equity</b>			
Total comprehensive income	-	485,227	485,227
<b>Balance at 31 December 2017</b>	<u><u>1,550,000</u></u>	<u><u>(334,110)</u></u>	<u><u>1,215,890</u></u>

The notes form part of these financial statements

**Notes to the Financial Statements**  
**for the Year Ended 31 December 2017**

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**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 2017**

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**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 2017**

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**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.

	2017	2016
	£	£
Sale of goods	1,708,413	1,425,490
Commission income	1,710,243	1,450,886
PR recharge	495,000	495,000
	<u>3,913,656</u>	<u>3,371,376</u>

**4. EMPLOYEES AND DIRECTORS**

	2017	2016
	£	£
Wages and salaries	595,961	605,636
Social security costs	73,723	75,352
Other pension costs	10,504	9,199
	<u>680,188</u>	<u>690,187</u>

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

	2017	2016
Retail Sales	5	5
Wholesale	3	4
Management & Administration	2	2
Press	2	2
	<u>12</u>	<u>13</u>

	2017	2016
	£	£
Directors' remuneration	<u>54,100</u>	<u>42,907</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2017**

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**5. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Depreciation - owned assets	<b>121,462</b>	122,447
Auditors' remuneration	<b>5,600</b>	5,600
Auditors' remuneration for non audit work	<b>1,000</b>	1,000
Foreign exchange differences	<b>25,566</b>	54,447
Key management personnel compensation	<b>295,100</b>	264,407
	<b><u>295,100</u></b>	<b><u>264,407</u></b>

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Interest on intercompany loan	<b>17,049</b>	25,476
	<b><u>17,049</u></b>	<b><u>25,476</u></b>

**7. TAXATION**

**Analysis of the tax charge**

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Current tax:		
UK corporation tax	<b>149,000</b>	80,000
Deferred tax	<b>30,572</b>	-
Tax on profit	<b>179,572</b>	80,000
	<b><u>179,572</u></b>	<b><u>80,000</u></b>



**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2017**

**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:

	2017 £	2016 £
Profit before tax	<u>664,799</u>	<u>397,729</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.250% (2016 - 20%)	127,974	79,546
Effects of:		
Expenses not deductible for tax purposes	2,199	2,565
Depreciation in excess of capital allowances	21,016	15,419
Utilisation of tax losses	-	(8,008)
Adjustments to tax charge in respect of previous periods	(362)	-
Under/ Overprovision provision of taxes	(1,827)	(9,522)
Deferred tax	<u>30,572</u>	<u>-</u>
Total tax charge	<u>179,572</u>	<u>80,000</u>

**8. TANGIBLE FIXED ASSETS**

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Totals £
<b>COST</b>				
At 1 January 2017	1,914,867	25,054	54,223	1,994,144
Additions	-	3,620	-	3,620
At 31 December 2017	<u>1,914,867</u>	<u>28,674</u>	<u>54,223</u>	<u>1,997,764</u>
<b>DEPRECIATION</b>				
At 1 January 2017	1,213,115	21,033	50,313	1,284,461
Charge for year	116,959	2,869	1,634	121,462
At 31 December 2017	<u>1,330,074</u>	<u>23,902</u>	<u>51,947</u>	<u>1,405,923</u>
<b>NET BOOK VALUE</b>				
At 31 December 2017	<u>584,793</u>	<u>4,772</u>	<u>2,276</u>	<u>591,841</u>
At 31 December 2016	<u>701,752</u>	<u>4,021</u>	<u>3,910</u>	<u>709,683</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2017**

**9. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2017	
and 31 December 2017	<u>100</u>
<b>NET BOOK VALUE</b>	
At 31 December 2017	<u>100</u>
At 31 December 2016	<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	2017	2016
Ordinary	100.00	£	£
Aggregate capital and reserves		<u>1</u>	<u>1</u>

**10. STOCKS**

	2017	2016
	£	£
Finished goods	<u>528,777</u>	<u>471,735</u>

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

	2017	2016
	£	£
Stock write-downs	<u>49,794</u>	<u>47,364</u>

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

	2017	2016
	£	£
Carrying amount of stock sold	<u>940,116</u>	<u>728,012</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2017**

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017	2016
	£	£
Trade debtors	50,452	28,468
Amounts owed by group undertakings	849,979	436,873
Other debtors	10,473	15,532
Prepayments and accrued income	1,325,893	964,115
	<u>2,236,797</u>	<u>1,444,988</u>

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017	2016
	£	£
Trade creditors	268,593	307,149
Amounts owed to group undertakings	1,406,244	459,917
Tax	139,507	80,028
Social security and other taxes	18,605	37,379
VAT	8,413	17,118
Other creditors	500	-
Accruals and deferred income	116,300	34,749
	<u>1,958,162</u>	<u>936,340</u>

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

	2017	2016
	£	£
Other loans (see note 14)	<u>425,527</u>	<u>1,191,432</u>

**14. LOANS**

An analysis of the maturity of loans is given below:

	2017	2016
	£	£
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>425,527</u>	<u>1,191,432</u>

Parent company had guaranteed Overdraft facility.

The loan of £425,527 (2016: £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 2017**

**15. PROVISIONS FOR LIABILITIES**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Deferred tax		
Accelerated capital allowances	<b>30,572</b>	-
		<b>Deferred</b>
		<b>tax</b>
		<b>£</b>
Charge to Statement of Comprehensive Income during year		<b>30,572</b>
Balance at 31 December 2017		<b>30,572</b>

**16. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			<b>2017</b>	<b>2016</b>
Number:	Class:	Nominal value:	<b>£</b>	<b>£</b>
1,550,000	Ordinary	1	<b>1,550,000</b>	1,550,000

**17. RESERVES**

	<b>Retained earnings</b>
	<b>£</b>
At 1 January 2017	<b>(819,337)</b>
Profit for the year	<b>485,227</b>
At 31 December 2017	<b>(334,110)</b>

**18. 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.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2017**

**19. 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 5 years.

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

	<b>Land and</b>	<b>Buildings</b>
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Expiry date:		
Within one year	<b>1,056,250</b>	670,000
After one year but within five years	<b>4,181,250</b>	2,512,500
	<b>5,237,500</b>	<b>3,182,500</b>

**20. 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 AEF FE S.p.a (70%) and SIN V 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 AEF FE S.p.a or SIN V S.p.a are the ultimate parent company.

	<b>Sales</b>	<b>Purchases</b>	<b>Debtors</b>	<b>Creditors</b>
	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
AEFFE S.p.a	810,958	673,333	635,460	-
AEFFE UK	54,936	-	97,640	-
Moschino France	23,162	69,323	-	70,532
Aeffe Retail SPA			-	1,615
Moschino SPA	656,466	230,271	-	1,333,589
Aeffe USA			<b>1,014</b>	1,523
Pollini SPA	449,678	27,304	72,239	11,233
Velmar SPA	150,055	8,094	59,974	4,101