

Company Registration Number 03943186

**CRO COPY**

**Chantrey Vellacott DFK LLP**

**Rucoline UK Limited**

**Financial statements**

**31 December 2011**

THURSDAY



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**Rucoline UK Limited**

**Financial statements**

**Year ended 31 December 2011**

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**Rucoline UK Limited**

**Officers and professional advisers**

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**The director**

**M Santucci**

**Company secretary**

**Temple Secretarial Limited**

**Registered office**

**16 Old Bailey  
London  
EC4M 7EG**

**Auditor**

**Chantrey Vellacott DFK LLP  
Chartered Accountants  
Statutory Auditor  
Russell Square House  
10-12 Russell Square  
London  
WC1B 5LF**

**Bankers**

**Lloyds TSB Bank plc  
Pall Mall St James'  
8-10 Waterloo Place  
London  
SW1Y 4BE**

**Solicitors**

**Withers LLP  
16 Old Bailey  
London  
EC4M 7EG**

**Chantrey Vellacott DFK LLP**

**Rucoline UK Limited****Director's report****Year ended 31 December 2011**

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The director presents his report and the audited financial statements of the company for the year ended 31 December 2011

**Principal activities and business review**

The principal activity during the year was that of a footwear retailer

The director believes that the company has adequate resources available to it through the support of its parent company and accordingly, is well placed to manage its business risks successfully. Therefore the director continues to adopt the going concern basis of accounting in preparing the annual financial statements.

**Business review**

Turnover has decreased in the year, however due to the reduction in purchase costs gross profit has increased by £25,913 to £208,208. The increase in gross profit is offset by a small increase in overheads, resulting in a smaller loss than that incurred in the prior year.

**Principal risks and uncertainties**

As the retail outlet for a premium brand the key business risks arise in respect of sales performance where the company benefits from a healthy London trading environment and by the influx of tourists. Due to the current depressed financial climate the company has suffered from lower foot traffic but reasonably expects this trend to be reversed in the current year.

**Key performance indicators (KPI's)**

Because of the way in which the business operates within the overall group structure, the director is of the opinion that judging business performance by the use of conventional financial analysis ratios is not appropriate in this context and other internal criteria apply.

**Results and dividends**

The loss for the year amounted to £70,682. The director has not recommended a dividend.

**Director**

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

M Santucci

**Policy on the payment of creditors**

In view of the company's purchasing arrangements it is not appropriate to state a creditor payment policy or amount of creditor days. However, every endeavour is made to pay third party suppliers in accordance with their terms.

**Director's responsibilities**

The director is responsible for preparing the director's report 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). Under company law the director 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 those financial statements, the director is required to:

**Rucoline UK Limited**

**Director's report *(continued)***

**Year ended 31 December 2011**

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- select suitable accounting policies and then apply them consistently,
- make judgements 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,
- 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.

Insofar as the director is aware

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

**Auditor**

Chantrey Vellacott DFK LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Signed by



M Santucci  
Director

Approved by the director on 2 May 2012

Chantrey Vellacott DFK LLP

**Rucoline UK Limited****Independent auditor's report to the shareholder of Rucoline UK Limited****Year ended 31 December 2011**

We have audited the financial statements of Rucoline UK Limited for the year ended 31 December 2011 which comprise the profit and loss account, balance sheet and the related notes. 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).

This report is made solely to the company's shareholder, 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 shareholder 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of director and auditor**

As explained more fully in the director's responsibilities statement set out on pages 2 to 3, 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 directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

However, the evidence available to us was limited because the director has not performed an impairment review on tangible fixed assets included in the balance sheet with a net book value of £44,694, in accordance with Financial Reporting Standard 11, 'Impairment of fixed assets and goodwill'. Due to losses an impairment review is required, and in absence of this review there were no practicable audit procedures that we could follow to ascertain whether or not an impairment loss had been incurred.

**Qualified opinion**

Except for the financial effect of not making the adjustments, if any, referred to in the preceding paragraph, in our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2011 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

In respect solely of the limitation on our audit work relating to impairment we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

**Emphasis of matter - Going concern**

In forming our opinion on the financial statements we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern including the continuation of support to the company by the ultimate parent company, for at least 12 months following the date of signing of these financial statements. The company incurred a net loss of £70,682 during the year ended 31 December 2011 and incurred further losses post year end. It also had a net deficiency of shareholder's funds of £16,665 at the balance sheet date. These conditions indicate the existence of a material uncertainty which may cast doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern, which would include impairment of fixed assets.

**Rucoline UK Limited**

**Independent auditor's report to the shareholder of Rucoline UK Limited (continued)**

**Year ended 31 December 2011**

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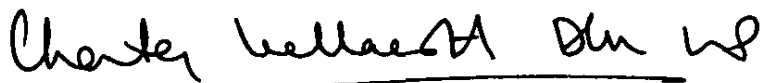
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements

**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



DAVID JAMES (Senior Statutory Auditor)  
for and on behalf of CHANTREY VELLACOTT DFK LLP  
Chartered Accountants and Statutory Auditor  
London

21.5.12.

Chantrey Vellacott DFK LLP

**Rucoline UK Limited**  
**Profit and loss account**  
**Year ended 31 December 2011**

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	Note	2011 £	2010 £
Turnover	2	311,143	379,728
Cost of sales		<u>102,935</u>	<u>197,433</u>
Gross profit		208,208	182,295
Administrative expenses		<u>279,170</u>	<u>265,682</u>
Operating loss	3	(70,962)	(83,387)
Interest receivable		280	(1,144)
Loss on ordinary activities before taxation		<u>(70,682)</u>	<u>(84,531)</u>
Tax on loss on ordinary activities	5	—	—
Loss for the financial year		<u>(70,682)</u>	<u>(84,531)</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 8 to 13 form part of these financial statements

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# Rucoline UK Limited

## Balance sheet

As at 31 December 2011

	Note	2011 £	2010 £
<b>Fixed assets</b>			
Tangible assets	6	<u>44,694</u>	<u>52,842</u>
<b>Current assets</b>			
Stocks	7	44,708	59,458
Debtors due within one year	8	49,832	46,568
Debtors due after one year	8	77,088	76,808
Cash at bank and in hand		9,868	9,611
		<u>181,496</u>	<u>192,445</u>
Creditors amounts falling due within one year	9	<u>242,855</u>	<u>191,270</u>
<b>Net current (liabilities)/assets</b>		<b>(61,359)</b>	<b>1,175</b>
<b>Total assets less current liabilities</b>		<b><u>(16,665)</u></b>	<b><u>54,017</u></b>
<b>Capital and reserves</b>			
Called up equity share capital	13	464,381	464,381
Profit and loss account	14	<u>(481,046)</u>	<u>(410,364)</u>
<b>(Deficit)/shareholder's funds</b>	15	<b><u>(16,665)</u></b>	<b><u>54,017</u></b>

These financial statements were approved and signed by the director and authorised for issue on 2 May 2012



M Santucci

Company Registration Number 03943186

The notes on pages 8 to 13 form part of these financial statements

# **Rucoline UK Limited**

## **Notes to the financial statements**

**Year ended 31 December 2011**

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### **1 Accounting policies**

#### **Basis of accounting**

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

#### **Going concern**

The company incurred a net loss of £70,682 during the year ended 31 December 2011 and incurred further losses post year end. It also had a deficiency of shareholder's funds amounting to £16,665 on the same date. Notwithstanding this, these financial statements have been prepared on a going concern basis and assume that the company continues to receive the support of its parent company, Rucoline S P A. Confirmation of their continued support has been received by our auditors and confirms that the parent company will continue to provide support for at least one year after the date these financial statements are signed.

#### **Cash flow statement**

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

#### **Turnover**

Turnover represents the amounts receivable for goods and services excluding VAT arising wholly within the United Kingdom.

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold property	- 6.67% straight line, being over the period of the lease
Fixtures & fittings	- 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.

The cost of stocks is determined on the first in, first out basis. Net realisable value is the price at which stock can be realised in the normal course of business.

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### **Deferred taxation**

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

# Rucoline UK Limited

## Notes to the financial statements

Year ended 31 December 2011

### 2 Turnover

The turnover and loss before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

	2011 £	2010 £
United Kingdom	<u>311,143</u>	<u>379,728</u>

### 3 Operating loss

Operating loss is stated after charging/(crediting)

	2011 £	2010 £
Depreciation of owned fixed assets	11,443	11,309
Operating lease costs		
- Other	125,018	110,230
Net profit on foreign currency translation	(4,921)	(7,952)
Auditor's remuneration - audit of the financial statements	4,575	4,300
Auditor's remuneration - other fees	<u>9,850</u>	<u>9,810</u>

	2011 £	2010 £
Auditor's remuneration - audit of the financial statements	<u>4,575</u>	<u>4,300</u>

Auditor's remuneration - other fees

- Taxation services	250	250
- Accountancy	<u>9,600</u>	<u>9,560</u>
	<u>9,850</u>	<u>9,810</u>

# Rucoline UK Limited

## Notes to the financial statements

Year ended 31 December 2011

### 4 Particulars of employees

The average number of staff, including executive directors, employed by the company during the financial year can be analysed as follows

	2011 No	2010 No
Number of shop staff	<u>4</u>	<u>3</u>

The aggregate payroll costs of the above were

	2011 £	2010 £
Wages and salaries	55,162	59,413
Social security costs	<u>4,943</u>	<u>5,411</u>
	<u>60,105</u>	<u>64,824</u>

### 5 Taxation on ordinary activities

No provision is required for corporation tax in view of losses brought forward from previous years. At 31 December 2011 losses of approximately £351,000 were available to set against future trading profits (2010 - £282,000)

#### Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is at a higher rate than the standard rate of corporation tax in the UK of 20.25% (2010 - 21%)

	2011 £	2010 £
Loss on ordinary activities before taxation	<u>(70,682)</u>	<u>(84,531)</u>
Loss on ordinary activities multiplied by rate of tax	(14,313)	(17,752)
Expenses not deductible for tax purposes	(626)	(665)
Capital allowances for period in excess of depreciation	1,042	1,587
Unrelieved tax losses	<u>13,897</u>	<u>16,830</u>
Total current tax	<u>-</u>	<u>-</u>

# Rucoline UK Limited

## Notes to the financial statements

Year ended 31 December 2011

### 6 Tangible fixed assets

	Leasehold Property £	Fixtures & Fittings £	Total £
<b>Cost</b>			
At 1 January 2011	163,422	72,117	235,539
Additions	-	3,295	3,295
<b>At 31 December 2011</b>	<b>163,422</b>	<b>75,412</b>	<b>238,834</b>
<b>Depreciation</b>			
At 1 January 2011	111,084	71,613	182,697
Charge for the year	10,900	543	11,443
<b>At 31 December 2011</b>	<b>121,984</b>	<b>72,156</b>	<b>194,140</b>
<b>Net book value</b>			
At 31 December 2011	41,438	3,256	44,694
At 31 December 2010	52,338	504	52,842

### 7 Stocks

	2011 £	2010 £
Goods for resale	44,708	59,458

### 8 Debtors

	2011 £	2010 £
Trade debtors	4,134	5,633
Other debtors	77,088	76,808
Prepayments and accrued income	45,698	40,935
	<b>126,920</b>	<b>123,376</b>

The debtors above include the following amounts falling due after more than one year

	2011 £	2010 £
Other debtors	77,088	76,808

# Rucoline UK Limited

## Notes to the financial statements

Year ended 31 December 2011

### 9 Creditors amounts falling due within one year

	2011 £	2010 £
Trade creditors	5,291	17,092
Amounts owed to group undertakings	229,312	154,069
PAYE and social security	238	1,953
VAT	1,430	3,494
Accruals and deferred income	6,584	14,662
	<u>242,855</u>	<u>191,270</u>

### 10 Deferred taxation

No provision has been made in the financial statements and the amounts unprovided at the end of the year are as follows

	2011 £	2010 £
Excess of taxation allowances over depreciation on fixed assets	1,751	3,047
Tax losses available	<u>70,178</u>	<u>59,275</u>
	<u>71,929</u>	<u>62,322</u>

This potential deferred tax asset has not been recognised in the financial statements due to the uncertainty concerning the timescale as to its recovery

### 11 Commitments under operating leases

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings	
	2011 £	2010 £
Operating leases which expire Within two to five years	<u>124,750</u>	<u>124,750</u>

### 12 Related party transactions

The company has taken advantage of the exemptions conferred by Financial Reporting Standard No 8 from the requirement to make disclosures concerning transactions with other group companies

# Rucoline UK Limited

## Notes to the financial statements

Year ended 31 December 2011

### 13 Share capital

Allotted, called up and fully paid

	2011 No	£	2010 No	£
464,381 Ordinary shares of £1 each	<u>464,381</u>	<u>464,381</u>	<u>464,381</u>	<u>464,381</u>

### 14 Profit and loss account

	2011 £	2010 £
Balance brought forward	(410,364)	(325,833)
Loss for the financial year	<u>(70,682)</u>	<u>(84,531)</u>
Balance carried forward	<u>(481,046)</u>	<u>(410,364)</u>

### 15 Reconciliation of movements in shareholder's funds

	2011 £	2010 £
Loss for the financial year	(70,682)	(84,531)
Opening shareholder's funds	<u>54,017</u>	<u>138,548</u>
Closing shareholder's (deficit)/funds	<u>(16,665)</u>	<u>54,017</u>

### 16 Ultimate parent company

The ultimate parent company is Rucoline S p A, which is incorporated in Italy. Group financial statements are not prepared. The ultimate controlling party is the director, Mr M Santucci.