

Company Registration Number 03943186

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Rucoline UK Limited

Annual report

31 December 2013

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Rucoline UK Limited

Annual report

Year ended 31 December 2013

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Rucoline UK Limited

Officers and professional advisers

The director	M Santucci
Company secretary	Temple Secretarial Limited
Registered office	16 Old Bailey London EC4M 7EG
Auditor	Chantrey Vellacott DFK LLP Chartered Accountants and Statutory Auditor Russell Square House 10-12 Russell Square London WC1B 5LF
Bankers	Lloyds Bank plc 8-10 Waterloo Place London SW1Y 4BE
Solicitors	Withers LLP 16 Old Bailey London EC4M 7EG

Rucoline UK Limited

Director's report

Year ended 31 December 2013

The director presents his report and the audited financial statements of the company for the year ended 31 December 2013.

Principal activities and business review

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

Turnover has decreased in the year and due to the reduction in profit margin of 2.3%, gross profit has decreased by £20,334 to £192,345. An increase in overheads of £28,699 to £315,211 following a shop refurbishment has increased the operating losses by £48,817 to £122,797 in current year.

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.

Director

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

M Santucci

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 year.

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 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.

Auditor

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

The director at the date of approval of this report confirms that:

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



Rucoline UK Limited

Director's report (*continued*)

Year ended 31 December 2013

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Signed by

M Santucci
Director

Approved by the director on 23 June 2014

23-06-2014

Rucoline UK Limited

Independent auditor's report to the shareholder of Rucoline UK Limited

Year ended 31 December 2013

We have audited the financial statements of Rucoline UK Limited for the year ended 31 December 2013 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 page 2, 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 (APB'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 annual report 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.

Basis for qualified opinion on financial statements

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 £90,816, 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 on financial statements

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its loss 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.

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 £122,797 during the year ended 31 December 2013 and incurred further losses post year end. It also had a net deficiency of shareholder's funds of £213,442 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 2013

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;

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.

Chantrey Vellacott DFK LLP

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

23 June 2014

Rucoline UK Limited
Profit and loss account
Year ended 31 December 2013

	Note	2013 £	2012 £
Turnover	2	262,505	281,272
Cost of sales		70,160	68,593
Gross profit		192,345	212,679
Administrative expenses		311,752	283,621
Operating loss	3	(119,407)	(70,942)
Interest receivable		69	(147)
Interest payable and similar charges	5	(3,459)	(2,891)
Loss on ordinary activities before taxation		(122,797)	(73,980)
Tax on loss on ordinary activities	6	-	-
Loss for the financial year		(122,797)	(73,980)

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.

Rucoline UK Limited

Balance sheet

As at 31 December 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	7	90,816	32,872
Current assets			
Stocks	8	56,857	60,477
Debtors due within one year	9	52,612	54,687
Debtors due after one year	9	77,010	76,941
Cash at bank and in hand		51,119	3,115
		237,598	195,220
Creditors: amounts falling due within one year	10	541,856	318,737
Net current liabilities		(304,258)	(123,517)
Total assets less current liabilities		(213,442)	(90,645)
Capital and reserves			
Called up equity share capital	14	464,381	464,381
Profit and loss account	15	(677,823)	(555,026)
Deficit	16	(213,442)	(90,645)

These financial statements were approved and signed by the director and authorised for issue on 23 June 2014.

M Santucci

Company Registration Number: 03943186

23-06-2014

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 2013

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 £122,797 during the year ended 31 December 2013 and incurred further losses post year end. It also had a deficiency of shareholder's funds amounting to £213,442 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.

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.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Rucoline UK Limited

Notes to the financial statements

Year ended 31 December 2013

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:

	2013 £	2012 £
United Kingdom	<u>262,505</u>	<u>281,272</u>

3. Operating loss

Operating loss is stated after charging/(crediting):

	2013 £	2012 £
Depreciation of owned fixed assets	30,233	11,822
Operating lease costs:		
- property	124,750	124,750
Net loss/(profit) on foreign currency translation	4,646	(4,052)
Auditor's remuneration - audit of the financial statements	6,800	1,300
Auditor's remuneration - other fees	<u>9,600</u>	<u>9,750</u>

	2013 £	2012 £
Auditor's remuneration - audit of the financial statements	<u>6,800</u>	<u>1,300</u>

Auditor's remuneration - other fees:

- Accountancy	<u>9,600</u>	<u>9,750</u>
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Rucoline UK Limited

Notes to the financial statements

Year ended 31 December 2013

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:

	2013 No	2012 No
Number of shop staff	<u>3</u>	<u>4</u>

The aggregate payroll costs of the above were:

	2013 £	2012 £
Wages and salaries	55,368	59,038
Social security costs	<u>4,495</u>	<u>4,996</u>
	<u>59,863</u>	<u>64,034</u>

5. Interest payable and similar charges

	2013 £	2012 £
Other similar charges payable	<u>3,459</u>	<u>2,891</u>

6. Taxation on ordinary activities

No provision is required for corporation tax in view of losses brought forward from previous years. At 31 December 2013 losses of approximately £525,000 were available to set against future trading profits (2012 - £418,000).

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% (2012 - 20%).

	2013 £	2012 £
Loss on ordinary activities before taxation	<u>(122,797)</u>	<u>(73,980)</u>
Loss on ordinary activities multiplied by rate of tax	(24,559)	(14,796)
Expenses not deductible for tax purposes	(624)	(624)
Capital allowances for period in excess of depreciation	3,885	1,920
Unrelieved tax losses	<u>21,298</u>	<u>13,500</u>
Total current tax	<u>-</u>	<u>-</u>



Rucoline UK Limited

Notes to the financial statements

Year ended 31 December 2013

7. Tangible fixed assets

	Leasehold Property £	Fixtures & Fittings £	Total £
Cost			
At 1 January 2013	163,422	75,413	238,835
Additions	79,131	9,045	88,176
Disposals	—	(69,544)	(69,544)
At 31 December 2013	242,553	14,914	257,467
Depreciation			
At 1 January 2013	132,884	73,079	205,963
Charge for the year	28,655	1,578	30,233
On disposals	—	(69,545)	(69,545)
At 31 December 2013	161,539	5,112	166,651
Net book value			
At 31 December 2013	81,014	9,802	90,816
At 31 December 2012	30,538	2,334	32,872

8. Stocks

	2013 £	2012 £
Goods for resale	56,857	60,477

9. Debtors

	2013 £	2012 £
Trade debtors	8,586	6,118
VAT recoverable	—	692
Other debtors	77,010	76,941
Prepayments and accrued income	44,026	47,877
	129,622	131,628

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

	2013 £	2012 £
Other debtors	77,010	76,941

Rucoline UK Limited

Notes to the financial statements

Year ended 31 December 2013

10. Creditors: amounts falling due within one year

	2013 £	2012 £
Trade creditors	50,701	18,332
Amounts owed to group undertakings	475,626	290,622
Taxation and social security	3,295	1,958
Accruals and deferred income	12,234	7,825
	<u>541,856</u>	<u>318,737</u>

11. Deferred taxation

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

	2013 £	2012 £
Excess of depreciation over taxation allowances	(355)	1,491
Tax losses available	104,976	83,678
	<u>104,621</u>	<u>85,169</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.

12. Commitments under operating leases

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings	
	2013 £	2012 £
Operating leases which expire:		
Within two to five years	<u>124,750</u>	<u>124,750</u>

13. 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 2013

14. Share capital

Allotted, called up and fully paid:

	2013 No	£	2012 No	£
Ordinary shares of £1 each	<u>464,381</u>	<u>464,381</u>	<u>464,381</u>	<u>464,381</u>

15. Profit and loss account

	2013 £	2012 £
Balance brought forward	(555,026)	(481,046)
Loss for the financial year	<u>(122,797)</u>	<u>(73,980)</u>
Balance carried forward	<u>(677,823)</u>	<u>(555,026)</u>

16. Reconciliation of movements in shareholder's funds

	2013 £	2012 £
Loss for the financial year	(122,797)	(73,980)
Opening shareholder's deficit	<u>(90,645)</u>	<u>(16,665)</u>
Closing shareholder's deficit	<u>(213,442)</u>	<u>(90,645)</u>

17. 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.

