

LANVIN LIMITED

UNAUDITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



LANVIN LIMITED
REGISTERED NUMBER:04298144

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	4	<u>290,098</u>	<u>323,433</u>
		290,098	323,433
Current assets			
Stocks	5	1,152,989	1,040,903
Debtors: amounts falling due after more than one year	6	284,264	284,264
Debtors: amounts falling due within one year	6	2,368,202	2,705,851
Cash at bank and in hand	7	102,085	264,911
		<u>3,907,540</u>	<u>4,295,929</u>
Creditors: amounts falling due within one year	8	<u>(7,635,747)</u>	<u>(6,193,425)</u>
Net current liabilities		<u>(3,728,207)</u>	<u>(1,897,496)</u>
Total assets less current liabilities		<u>(3,438,109)</u>	<u>(1,574,063)</u>
Net liabilities		<u>(3,438,109)</u>	<u>(1,574,063)</u>
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account		<u>(3,438,110)</u>	<u>(1,574,064)</u>
		<u>(3,438,109)</u>	<u>(1,574,063)</u>


The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 December 2020.

G Cheng
Director



The notes on pages 2 to 7 form part of these financial statements.

LANVIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

The principal activity of the company during the period was that of a retailer of designer fashion clothing and accessories.

The company is a private company limited by shares and is registered in England and Wales. The address of its registered office is Elsley Court, 20-22 Great Titchfield Street, London, W1W 8BE. The address of its principal place of business is 128 Mount Street, Mayfair, London, W1K 3NU.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

2.2 Going concern

The director is assessing, on a daily basis, the impact of the significant uncertainty arising from COVID-19. Whilst the director appreciates there is significant uncertainty surrounding the future economic climate and is expecting a slowdown, the director is confident that the company's activity is generating positive results. At the year end and as at the date of signature of the financial statements, the company's activities remain positive.

The director has also secured confirmation that there will be sufficient financial support from the parent company, Jeanne Lanvin SA, for the foreseeable future and for at least the next twelve months from the date of signature of these financial statements, to enable the company to continue its operations without any significant curtailment in operating activities and to meet its liabilities as they fall due.

2.3 Turnover

Revenue from the sale of designer fashion clothing and accessories is recognised at the point of sale.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

S/term leasehold property	- Over the term of the lease
Fixtures and fittings	- 20% straight line
Computer equipment	- Between 17% and 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price. Cost is based on the cost of purchase on a weighted average basis.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of no more than 24 hours.

2.8 Creditors

Short term creditors are measured at the transaction price.

2.9 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is pound sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised within administrative expenses in the statement of comprehensive income.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.10 Operating lease

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

2.11 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.12 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.13 Prior year adjustment

The director has considered that rent in the prior year had not sufficiently been accrued, following a rent review in the prior period. Comparative information has been restated accordingly. The effect of this adjustment is to increase accruals brought forward by £85,500 and to decrease profit and loss reserves brought forward by the same amount.

2.14 Current taxation

The tax expense for the year comprise current tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

3. Employees

The average monthly number of employees, including the director, during the year was 10 (2018 - 11).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. Tangible fixed assets

	S/term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2019	1,593,306	172,175	75,060	1,840,541
Additions	39,298	-	-	39,298
At 31 December 2019	1,632,604	172,175	75,060	1,879,839
Depreciation				
At 1 January 2019	1,282,686	159,794	74,627	1,517,107
Charge for the year	66,409	6,090	135	72,634
At 31 December 2019	1,349,095	165,884	74,762	1,589,741
Net book value				
At 31 December 2019	283,509	6,291	298	290,098
At 31 December 2018	310,620	12,381	432	323,433

5. Stocks

	2019 £	2018 £
Finished goods	1,152,989	1,040,903

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

6. Debtors

	2019 £	2018 £
Due after more than one year		
Other debtors	284,264	284,264

Debtors due after one year represent deposits which are secured in favour of the landlords.

	2019 £	2018 £
Due within one year		
Trade debtors	2,141,692	2,501,023
Other debtors	10,390	3,524
Prepayments and accrued income	216,120	201,304
	2,368,202	2,705,851

Included in trade debtors is £2,102,114 (2018 - £2,425,105) due from group undertakings.

7. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	102,085	264,911

8. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	7,473,825	5,883,177
Other taxation and social security	85,006	89,366
Other creditors	40,909	31,619
Accruals and deferred income	36,007	189,263
	7,635,747	6,193,425

Included in trade creditors is £7,423,214 (2018 - £5,670,133) due to group undertakings.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

9. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1 ordinary share of £1	<u>1</u>	<u>1</u>

There is a single class of ordinary share. There are no restrictions on the distribution of dividends and the repayment of capital.

10. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £7,520 (2018 - £5,479).

Contributions totalling £1,354 (2018 - £1,222) were payable to the fund at the balance sheet date and are included in creditors.

11. Commitments under operating leases

At 31 December 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	835,280	678,000
Later than 1 year and not later than 5 years	1,996,668	2,321,396
	<u>2,831,948</u>	<u>2,999,396</u>

Subsequent to the year end, the company gave notice to the landlord to exercise a break clause in the Savile Row lease, terminating the lease on 15 February 2020, without penalty. This has reduced the company's obligations under operating leases by the annual charge of £288,000 for 3 years.

12. Related party transactions

No disclosure has been made of transactions with other wholly owned group companies in accordance with FRS 102 Section 1A paragraph 1AC.35.

The parent of the smallest group, of which the company is a member and for which group accounts are prepared, is Jeanne Lanvin SA. Its registered office is 15 Rue du Faubourg, Saint-Honore, 75008, Paris.

13. Auditor's information

The audit report provided to the members of Lanvin Limited on the financial statements for the year ended 31 December 2019 was not qualified.

The audit report was signed by Richard Gilbert (Senior Statutory Auditor) for and on behalf of SRLV Audit Limited, Chartered Accountants and Statutory Auditor.