

Jasmine Di Milo Limited

REGISTERED NUMBER: 4360319

JASMINE DI MILO LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

Period from 1 February 2011 to 31 January 2012



Jasmine Di Milo Limited

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DIRECTORS' REPORT

The Directors present their annual report and the financial statements of the company for the period from 1 February 2011 to 31 January 2012

Principal Activity

The Company's principal activity during the period was the orderly wind-down of the business subsequent to the cessation of active business in 2010

Directors and their Interests

The current Directors of the Company are

Ms J L Fayed
Mr R J Fallowfield

Results and Dividends

The loss after taxation for the period from 1 February 2011 to 31 January 2012 amounted to £56,029 (2011 loss of £2,994,709)

The Directors do not recommend the payment of a dividend and an amount of £56,029 has been transferred out of reserves

Review of Business

Following a review of the business in the Spring of 2010, prompted by the resignation of the Chief Executive Officer, it became apparent that the prospects for becoming profitable in a reasonable period of time were low. As a consequence, a period of consultation with staff was undertaken, culminating in a decision on 30th June 2010 to conduct an orderly run-down of the business. A program of redundancies was announced and the final employee left on 31st March 2011. The Autumn/Winter 2010 collection was completed and delivered to most of the customers who had not decided to cancel their orders. Surplus stocks were disposed of in October and November 2010 and the focus was then on collecting the remaining trade debtors and paying remaining creditors. The latter was concluded in July 2011, by which time the remaining unpaid debtors had all been referred to collection agencies. It is anticipated that collecting the balances still owing may take considerable time due to the scattered geography of the customer base and difficult economic circumstances in the global fashion industry.

Directors' responsibilities

The directors are responsible for preparing the directors' report 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). 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:

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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 United Kingdom 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.

As explained in note 1 to the financial statements, the directors do not believe the going concern basis to be appropriate and these financial statements have not been prepared on that basis

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 the group 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

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

This report has been approved by the board of directors on 24th May 2012 and signed on behalf of the board by



Robert Fallowfield
Director
24th May 2012

Suite 5,
55 Park Lane,
London
W1K 1NA

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PROFIT AND LOSS ACCOUNT

FOR THE PERIOD FROM 1 FEBRUARY 2011 TO 31 JANUARY 2012

Note		Period to	Period to
		30/01/12	31/01/11
Note		£'000	£'000
2	TURNOVER	(39)	2,519
	Cost of Sales	<u>0</u>	<u>(1,927)</u>
	GROSS PROFIT	(39)	592
	Design and Development expenses	(7)	(25)
	Administration expenses	(10)	(3,562)
3	Loss on Ordinary Activities before Tax	<u>(56)</u>	<u>(2,995)</u>
5	Tax on loss on Ordinary Activities	0	0
10	Loss on Ordinary Activities after Tax	<u><u>(56)</u></u>	<u><u>(2,995)</u></u>

The profit and loss account has been prepared on the basis set out in note 1

There were no recognised gains or losses other than those shown above. The movements on reserves are shown in Note 10.

The notes on pages 5 to 9 form an integral part of these financial statements.

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BALANCE SHEET

Note	At 30/01/12 £'000	At 31/01/11 £'000
CURRENT ASSETS		
6 Debtors	0	265
Cash at bank and in hand	26	72
	<u>26</u>	<u>337</u>
7 CREDITORS (Amounts falling due within one year)	(81)	(325)
NET CURRENT ASSETS	<u>(55)</u>	<u>12</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	(55)	12
8 CREDITORS (Amounts falling due after more than one year)	(14,784)	(14,795)
	<u>(14,839)</u>	<u>(14,783)</u>
CAPITAL AND RESERVES		
9 Share Capital	-	-
10 Profit and loss reserves	(14,839)	(14,783)
11 SHAREHOLDER'S DEFICIT	<u>(14,839)</u>	<u>(14,783)</u>

In preparing these financial statements

(a) For the period ended 31 January 2012 the company was entitled to exemption under section 477 of the Companies Act 2006. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006

(b) The directors acknowledge their responsibilities for

(i) ensuring that the company keeps accounting records which comply with section 386, and
(ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as is applicable to the company. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements were approved and authorised for issue by the board of directors and were signed on its behalf on 24th May 2012.



R J Fallowfield
Director

Company registration number 4360319

The notes on pages 5 to 9 form an integral part of these financial statements

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NOTES TO THE ACCOUNTS

1 Accounting Policies

Basis of preparation

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

Following the resignation of the Chief Executive in Spring 2010, a review of the business led to a decision to cease activities, and a program of orderly run-down began on 30th June 2010 with the redundancies of a number of members of staff. During the second half of 2010 most of the remaining staff left as their duties came to an end with the completion and delivery of the Autumn/Winter 2010 collection. All remaining unsold stocks were disposed of by 31st November 2010.

All remaining fixed assets were disposed of before 31st December 2010 and the bulk of creditors were discharged.

At the balance sheet date, a significant value of trade debtors remained unpaid. At the date of signing these financial statements all remaining unpaid debts have been placed in the hands of collection agents and full provision has been made for the value of these, although efforts to collect will continue. In July 2011 the remaining trade creditors were paid.

As a result the financial statements have been prepared on a basis other than that of a going concern. Accordingly, all assets have been restated to reflect their net realisable value.

Going Concern

Following the decision to close the business, indications have been received from the ultimate parent company, Gemini Holdings Limited Inc, and verbal indications received from Mr M Al Fayed that funding will be made available to enable the Company to meet all its liabilities as they fall due. Although there is no legal obligation for either Gemini Holdings Limited inc or Mr Al Fayed to provide such support, the Directors are confident that such funding will be forthcoming.

Depreciation of Intangible and Tangible Assets

Depreciation of fixed assets was provided on a straight line basis over their estimated useful lives. However, following the decision to cease activities, all fixed assets were disposed of for the best prices available and any losses on disposal taken, at the date of disposal, to profit and loss account.

Deferred Taxation

Deferred taxation is provided on material timing differences between the incidence of income and expenditure for taxation and accounts purposes using a full provision basis in accordance with the provisions set out in Financial Reporting Standard No 19 "Deferred Tax". Deferred tax assets are only recognised when they arise from timing differences where their recoverability in the short-term is regarded as more likely than not.

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NOTES TO THE ACCOUNTS.....contd

Foreign Currency

Transactions denominated in foreign currency are translated at exchange rates ruling at the transaction date. Realised gains and losses are dealt with in the profit and loss account.

Leasing

Assets acquired under finance leases and hire purchase contracts are capitalised and depreciated over their useful lives. The interest element of the rental obligations is charged to profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Pension Costs

The cost of defined contribution pensions represent the contributions payable by the company during the year.

2 TURNOVER

Turnover represents the total amount receivable for goods sold excluding VAT and is derived from worldwide markets.

3 OPERATING LOSS

	01/02/11	31/01/10
	to	to
	31/01/12	30/01/11
	£'000	£'000
Operating Loss is stated after charging.		
- Staff costs	62	1,892
- Operating leased equipment	-	-
- Depreciation of tangible fixed assets	-	24
	01/02/11	31/01/10
	to	to
	31/01/12	31/01/11
	£'000	£'000
Wages and salaries	57	1,696
Social Security costs	3	162
Other Pension costs	2	34
	62	1,892

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NOTES TO THE ACCOUNTS.....contd

4 STAFF COSTS AND DIRECTORS' EMOLUMENTS....cont'd

No Director earned any salaries, fees, emoluments or received the benefit of any pension contributions during the period (2011 nil)

	01/02/11 to 31/01/12	31/01/10 to 31/01/11
The average number of employees (per activity) during the period was		
Admin, Sales and Distribution	1	10
Design	0	2
Workshop	0	11
Boutique	0	1
	<u>1</u>	<u>24</u>

5 TAXATION

No taxation charge has been provided in the accounts, based on the results of the year (2010 £nil)

The company has losses available to carry forward for offset against future profits of the same trade. The company has available tax losses of approximately £14,562,000 (2011 £14,506,000) which represents a potential tax asset of £3,786,120 (2011 £4,061,680) based on an average corporation tax rate of 26% (2011 28%)

The asset has not been recognised in the financial statements because, in the opinion of the directors, there is insufficient evidence of future taxable profits arising against which to utilise these losses

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NOTES TO THE ACCOUNTS....cont'd

6	DEBTORS	As at 31/01/12	As at 31/01/11
		£'000	£'000
	Trade debtors	-	157
	Other	-	108
		<u>-</u>	<u>265</u>
7	CREDITORS (Amounts falling due within one year)	As at 31/01/12	As at 30/01/11
		£'000	£'000
	Trade creditors	61	105
	Other	20	220
		<u>81</u>	<u>325</u>
8	CREDITORS (Amounts falling due after more than one year)	As at 31/01/12	As at 30/01/11
		£'000	£'000
	Amounts owed to M Al Fayed	847	847
	Amounts owed to parent undertaking	13,937	13,948
		<u>14,784</u>	<u>14,795</u>
9	SHARE CAPITAL	As at 31/01/12	As at 30/01/11
		£	£
	Authorised 1,000 ordinary shares of £1 each	1,000	1,000
	Issued, allotted and fully paid 1 ordinary share of £1	<u>1</u>	<u>1</u>
10	PROFIT AND LOSS RESERVES	As at 31/01/12	As at 30/01/11
		£'000	£'000
	At the beginning of the period	(14,783)	(11,788)
	Transfer from profit and loss account for the period	<u>(56)</u>	<u>(2,995)</u>
	At end of period	<u>(14,839)</u>	<u>(14,783)</u>

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NOTES TO THE ACCOUNTS....cont'd

11 RECONCILIATION IN SHAREHOLDER'S DEFICIT

	As at 31/01/12	As at 30/01/11
	£'000	£'000
Loss for the financial period	(56)	(2,995)
Opening shareholders' funds – deficit	(14,783)	(11,788)
Closing shareholders' funds - deficit	<u>(14,839)</u>	<u>(14,783)</u>

12 PENSIONS

The Company participates in the Liberty Publishing & Media Group Personal Pension Plan, which is a money purchase scheme

The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge of £1,995 (2011 £33,755) represents contributions by the Company to the pension fund

13 RELATED PARTIES

At the balance sheet date there were arm's length agreements between the Company and various related companies to provide management, security, property and maintenance services. These companies have directors in common with the Company. The values of these transactions during the period were -

	Period to 31/01/12		Period to 30/01/11	
	Purchases £'000	Sales £'000	Purchases £'000	Sales £'000
Liberty Publishing & Media Ltd	71	-	67	-
Hyde Park Residence Ltd	11	-	-	-
	<u>82</u>	<u>-</u>	<u>67</u>	<u>-</u>

At the balance sheet date Creditors included the following balances

	As at 31/01/12 £'000	As at 30/01/11 £'000
Liberty Publishing & Media Ltd	<u>2</u>	<u>5</u>

14 ULTIMATE PARENT UNDERTAKING

The Company's immediate parent undertaking is Gemini Holdings Limited Inc, a company registered in Panama

At 31 January 2012 and at 31 January 2011 the ultimate controlling party of Jasmine Di Milo Limited was Ms J L Fayed