

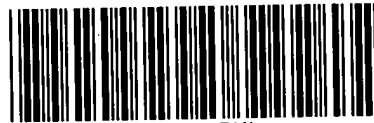
**Company Registration No. 04434550**

**Fashion Box UK Limited**

**Report and Financial Statements**

**31 December 2015**

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COMPANIES HOUSE

# **Fashion Box UK Limited**

## **Report and financial statements 2015**

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# **Fashion Box UK Limited**

## **Report and financial statements 2015**

### **Officers and professional advisers**

#### **Director's**

R.Moresco

J.Teeuw

E Volpi

#### **Registered Office**

47-48 Berners Street

London

W1T 3NF

#### **Bankers**

HSBC Bank Plc

13 Chapel Street

Stratford-Upon-Avon

Warwickshire

CV37 6ET

BNP Paribas Bank

10 Harewood Avenue

London

NW1 6AA

#### **Solicitors**

Field Fisher Waterhouse

35 Vine Street

London

EC3N 2AA

#### **Auditor**

Deloitte LLP

Chartered Accountants and Statutory Auditor

2 New Street Square

London EC4A 3BZ

## **Fashion Box UK Limited**

### **Directors' report**

The directors present the annual report and the audited financial statements of Fashion Box UK Limited for the year ended 31 December 2015.

#### **Principal activity**

The company was incorporated on 9 May 2002 and is a wholly owned subsidiary of Fashion Box International S.A.

During the year, the principal activity of the company was the distribution of key Fashion Box S.p.A. brands within the UK and Ireland.

#### **Results and dividends**

The company made a loss after tax of £ 1,366,794 (2014: loss of £1,338,853). The directors do not recommend the payment of a dividend (2014: £nil).

#### **Director**

The directors who served throughout and during the year are as follows:

R.Moresco

J.Teeuw

E.Volpi

#### **Financial risk management**

The directors believe that they have the policies in place to ensure all potential financial risks are managed effectively. The company has receivable balances from third party customers and group companies. The director considers that any credit risk the company is exposed to is mitigated as the majority of debtors are insured and there is no reliance on an individual customer.

They have reviewed the potential financial risks and believe no further action is required.

#### **Liquidity risk**

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a short-term debt finance with Group entities.

#### **Going concern**

As set out in note 1 to these financial statements the directors are satisfied that, given the support available from the parent company, the going concern assumption is the appropriate basis for the preparation of the financial statements.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in the financial statements.

## **Fashion Box UK Limited Directors' report**

### **Auditor**

The directors at the date of approval of this report confirm that:

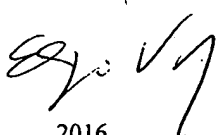
- so far as each directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make them aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved and signed on behalf of the Board by:

E Volpi  
Director

  
30th June 2016

# Fashion Box UK Limited

## Strategic report

### Review of business and key performance indicators

As shown in the company's Statement of comprehensive income on page 7, sales increased by 2.8% over the prior year and the operating loss decreased from £ 1,338,853 to £1,366,794. This performance was expected in light of the current economic climate and the directors consider the year-end financial position to be satisfactory and that the company is well placed to continue and develop its activities in the foreseeable future.

The balance sheet on page 7 of the financial statements shows that at the end of the year the company had a net liabilities position.

The performance of Fashion Box S.p.A., which includes this company, is discussed in the group's annual report, which does not form part of these statements.

The directors expect the general level of activity to remain consistent with 2015 in the forthcoming year.

A discussion of principal risks has been included in the director report.

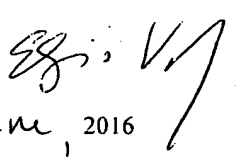
### Future Developments

The directors expect the general level of activity to remain consistent with 2015 in the forthcoming year.

Approved and signed on behalf of the Board by:

E Volpi  
Director

30th June, 2016



# **Fashion Box UK Limited**

## **Directors responsibilities statement**

The directors are responsible for preparing the Annual 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 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; and
- 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 to 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.

## **Independent auditor's report to the members of Fashion Box UK Limited**

We have audited the financial statements of Fashion Box UK Limited for the year ended 31 December 2015 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes 1 to 17. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the director and auditor**

As explained more fully in the Directors Responsibilities Statement, the directors are 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 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 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.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 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.

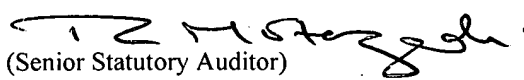
### **Opinion on matters prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' 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.

  
Reza Motazedi (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

30 June 2016



## Fashion Box UK Limited

### Statement of comprehensive income Year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
Turnover	1, 2	10,764	10,471
Cost of sales		(7,806)	(7,427)
<b>Gross profit</b>		<b>2,958</b>	<b>3,044</b>
Other operating expenses		(4,381)	(4,475)
Other operating income		57	92
<b>Operating loss and loss on ordinary activities before taxation</b>		<b>(1,366)</b>	<b>(1,339)</b>
<b>Loss on ordinary activities before taxation</b>	3	<b>(1,366)</b>	<b>(1,339)</b>
Tax on loss on ordinary activities	5	-	-
<b>Loss and total comprehensive expense for the financial year</b>	13	<b>(1,366)</b>	<b>(1,339)</b>
<b>Total comprehensive loss attributable to equity shareholders of the company</b>		<b>(1,366)</b>	<b>(1,339)</b>

All transactions are derived from continuing operations. There are no recognised gains or losses other than as shown above. Accordingly no statement of other comprehensive income is presented.

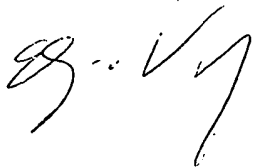
# Fashion Box UK Limited

## Balance sheet 31 December 2015

	Notes	2015 £'000	2014 £'000
<b>Fixed assets</b>			
Tangible assets	6	757	580
		<u>757</u>	<u>580</u>
<b>Current assets</b>			
Stock	7	1,186	1,023
Debtors	8	3,383	4,445
Cash at bank and in hand		1,364	457
		<u>5,933</u>	<u>5,925</u>
<b>Creditors: amounts falling due within one year</b>	9	(11,112)	(9,502)
<b>Net current liabilities</b>		<u>(5,179)</u>	<u>(3,575)</u>
<b>Total assets less current liabilities</b>		<u>(4,422)</u>	<u>(2,997)</u>
<b>Creditors: Amounts falling due after more than one year</b>	10	-	(60)
<b>Net liabilities</b>		<u>(4,422)</u>	<u>(3,057)</u>
<b>Capital and reserves</b>			
Share capital	11	950	950
Capital contribution	11	6,300	6,300
Profit and loss account	11	(11,673)	(10,307)
<b>Shareholders' deficit</b>		<u>(4,423)</u>	<u>(3,057)</u>

The financial statements of Fashion Box UK Limited, registered number 04434550 were approved and signed on behalf of the Board *30th June*, 2016.

E Volpi  
Director



## Fashion Box UK Limited

### Statement of changes in equity 31 December 2015

	Share capital £'000	Capital Contrib. £'000	Profit and loss account £'000
<b>At 31 December 2013</b>	950	5,300	(8,968)
Loss for the financial period	-	-	(1,339)
<b>At 31 December 2014</b>	<u>950</u>	<u>6,300</u>	<u>(10,307)</u>
<b>At 1 January 2015</b>	950	6,300	(10,307)
Loss for the financial period	-	-	(1,366)
<b>At 31 December 2015</b>	<u>950</u>	<u>6,300</u>	<u>(11,673)</u>

# Fashion Box UK Limited

## Notes to the financial statements Year ended 31 December 2015

### 1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

#### General information and basis of accounting

Fashion Box UK Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the directors report on page 2.

The financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Fashion Box UK Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements of Fashion Box S.p.A. Details of the parent entity are given in note 14 to the financial statements. Exemptions have been taken in relation to presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

#### Going concern

After making enquiries and taking into consideration the profitability and financial position of the company, the director has prepared the financial statements on a going concern basis. The director considers that the business has access to sufficient funding from its bank combined with its ultimate parent company, Fashion Box S.p.A., to continue in operation. Fashion Box S.p.A. has provided a written commitment of financial support to provide sufficient funding to the company, to enable it to meet its liabilities as they fall due, for at least the next twelve months – from the date of signing these accounts.

#### Turnover

Turnover comprises the value of sales invoiced on despatch and store takings net of Value Added Tax.

#### Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation has been provided in order to write off the cost of depreciable fixed assets over their useful lives, as follows:

Showroom fixtures and fittings	20% straight-line
Plant and machinery	25% straight-line

#### Stocks

Stocks are stated at lower of cost and estimated selling price less cost to complete and sell. Stocks represent finished goods only. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

#### Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss.

# **Fashion Box UK Limited**

## **Notes to the financial statements Year ended 31 December 2015**

### **1. Accounting policies (continued)**

#### **Taxation**

Current UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### **Foreign currency**

Transactions in foreign currency are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

#### **Finance costs**

Finance costs of debt are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

#### **Leases**

Rentals under operating leases are charged to the profit and loss account on a straight-line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

#### **Pension costs**

The company provides pensions to certain employees through a number of defined contribution pension schemes. The amounts charged to the profit and loss account are the contributions payable in the year.

# Fashion Box UK Limited

## Notes to the financial statements Year ended 31 December 2015

### 2. Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and Value Added Tax and any other tax based on the amounts so derived.

	2015 £'000	2014 £'000
<i>Principal activities</i>		
Wholesale business	8,020	7,764
Retail business	2,744	2,707
	<u>10,764</u>	<u>10,471</u>
<i>Geographical analysis</i>		
Europe	<u>10,764</u>	<u>10,471</u>
	<u>10,764</u>	<u>10,471</u>

### 3. Loss on ordinary activities before taxation

Is stated after charging:

	2015 £'000	2014 £'000
Depreciation of fixed assets	210	167
Operating lease rentals:		
- Plant and machinery	20	21
- Land and buildings	1,535	1,033
Auditor's remuneration – fees payable to the company's auditor for the audit of the company's annual accounts	17	17
Auditor's remuneration – non audit fees (tax compliance services)	<u>6</u>	<u>6</u>

# Fashion Box UK Limited

## Notes to the financial statements Year ended 31 December 2015

### 4. Staff number and costs

	2015 No.	2014 No.
<b>Average number of persons employed (including directors) was:</b>		
Stores	45	48
Wholesale distribution	6	7
Administration	2	2
<b>Total staff</b>	<b>53</b>	<b>57</b>
	<b>£'000</b>	<b>£'000</b>
<b>Staff costs during the year (including director)</b>		
Aggregate salaries and wages	1,081	1,242
Social security costs	82	101
Pension costs	7	6
	<b>1,170</b>	<b>1,349</b>

The Company operates a defined contribution scheme for which the pension cost charge in the year amounted to £ 7,053 (2014: £5,800).

The directors received no remuneration in respect of their services to the company in the current year (2014: £nil).

### 5. Tax on loss on ordinary activities

	2015 £'000	2014 £'000
<b>Current tax</b>		
United Kingdom corporation tax	-	-
<b>Deferred tax</b>	-	-
<b>Total tax change per income statement</b>	-	-

## Fashion Box UK Limited

### Notes to the financial statements Year ended 31 December 2015

#### 5. Tax on loss on ordinary activities (continued)

The differences between the total tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	£'000	£'000
Loss on ordinary activities before taxation	(1,367)	(1,339)
UK corporation tax at 20.25% (2014: 21.49%) thereon:	(277)	(288)
Expenses not deductible for tax purposes	17	3
Utilisation of tax losses- Movement in unprovided deferred tax	259	285
Total tax charge	-	-

A deferred tax asset of £1,945,341 at 31 December 2015 (2014:£1,905,882) has not been recognised in respect of timing differences relating to fixed assets (£304,966), tax losses (£1,640,375) and short term timing differences (nil). This is due to there being insufficient evidence that the asset will be recovered.

#### 6. Tangible fixed assets

	fixtures and fittings £'000	Plant and Machinery £'000	Total £'000
<b>Cost</b>			
At 1 January 2015	2,054	86	2,140
Additions	456	8	464
Disposals	(1,322)	(60)	(1,382)
At 31 December 2015	1,188	34	1,222
<b>Depreciation</b>			
At 1 January 2015	1,488	72	1,560
Charge for the year	204	6	210
Disposals	(1,246)	(59)	(1,305)
At 31 December 2015	446	19	465
<b>Net book value</b>			
At 31 December 2015	742	15	757
At 31 December 2014	565	14	580

#### 7. Stocks

	2015 £'000	2014 £'000
Finished goods	1,186	1,023



# Fashion Box UK Limited

## Notes to the financial statements Year ended 31 December 2015

### 8. Debtors: amounts falling due within one year

	2015 £'000	2014 £'000
Trade debtors	1,775	2,225
Amounts owed by group undertakings	983	1,747
Other debtors	245	139
Prepayments and accrued income	380	334
	<u>3,383</u>	<u>4,445</u>

### 9. Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Trade creditors	325	326
Amounts owed to group undertakings	9,853	8,149
Other creditors including taxation and social security	692	701
Accruals and deferred income	242	326
	<u>11,112</u>	<u>9,502</u>

### 10. Creditors: amounts falling due after one year

	2015 £'000	2014 £'000
Trade creditors	-	60
	<u>-</u>	<u>60</u>

### 11. Called up share capital

	2015 £'000	2014 £'000
<b>Called up, allotted and fully paid:</b>		
950,000 ordinary shares of £1 each	950	950

The Group and Company's other reserves are as follows:

The contribution reserve contains the capital contributed by parent company.

The profit and loss reserve represents cumulative profits or losses.

# Fashion Box UK Limited

## Notes to the financial statements Year ended 31 December 2015

### 12. Lease commitments

The minimum annual operating lease rentals are as follows:

	2015		2014	
	Plant and machinery £'000	Land and buildings £'000	Plant and machinery £'000	Land and buildings £'000
Leases which expire:				
Within one year	-	64	19	749
Between two and five years	-	231	2	110
After five years	-	754	-	173
	<u>-</u>	<u>1,049</u>	<u>21</u>	<u>1,032</u>

### 13. Related party transactions

The company has taken advantage of the exemption as per FRS 102.33 "Related party disclosures" from disclosing related party transactions with entities owned wholly by the Group.

### 14. Ultimate parent company

The company's immediate parent company is Fashion Box International S.p.A. The directors regard Equibox S.p.A, a company incorporated in Italy, as the ultimate parent company and the ultimate controlling party.

Fashion Box S.p.A. is the parent company of the largest and smallest group of which the company is a member and for which group financial statements are drawn up. Copies of the financial statements are available from Fashion Box S.p.A Via Marcoai 1, 31010 Casella d'Asolo Treviso, Italy.

### 15. Explanation of transition to FRS 102

This is the first year that the company has presented its financial statements under Financial Reporting Standard 102 (FRS102) issues by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year-ended 31 January 2013 and the date of transition to FRS 102 was therefore 1 January 2014. As a consequence of adopting FRS 102, incentives granted under lease agreements commencing on or after 1 January 2014 are spread on a straight-line basis over the lease term under previous UK GAAP these were spread over the shorter of the lease term and the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate.

There is no change to the amounts reported under previous UK GAAP for the year ended 31 December 2014 and those reportable under FRS102 for the same period. Accordingly the financial position of the company was not affected and no reconciliation of movements in Equity and the Profit and Loss statement as a result of the transition are required.