

**Company Registration No. 04434550**

**Fashion Box UK Limited**

**Report and Financial Statements**

**For the year ended 31 December 2019**



# **Fashion Box UK Limited**

## **Report and financial statements for the year ended 2019**

<b>Contents</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Strategic report</b>	<b>2</b>
<b>Directors' report</b>	<b>4</b>
<b>Statement of directors' responsibilities</b>	<b>6</b>
<b>Independent auditor's report to the members of Fashion Box UK Limited</b>	<b>7</b>
<b>Statement of comprehensive income</b>	<b>10</b>
<b>Balance sheet</b>	<b>11</b>
<b>Statement of changes in equity</b>	<b>12</b>
<b>Notes to the financial statements</b>	<b>13</b>

# **Fashion Box UK Limited**

## **Report and financial statements for the year ended 2019**

### **Officers and professional advisers**

#### ***Directors***

R.Moresco  
J.Teeuw  
E Volpi

#### **Registered Office**

47-48 Berners Street  
London  
United Kingdom  
W1T 3NF

#### **Bankers**

HSBC Bank Plc  
13 Chapel Street  
Stratford-Upon-Avon  
Warwickshire  
CV37 6ET

UniCredit Bank AG  
Moor House  
120 London Wall  
London  
EC2Y 5ET

Natwest  
30A Harborne Road  
Edgbaston  
Birmingham

BNP Paribas  
16 Boulevard des Italiens  
75009 Paris  
France

#### **Solicitors**

Field Fisher Waterhouse  
35 Vine Street  
London  
EC3N 2AA

#### **Auditor**

Moore Kingston Smith LLP  
Devonshire House  
60 Goswell Road  
London, EC1M 7AD

## **Fashion Box UK Limited**

### **Strategic report For the year ended 31 December 2019**

The directors present their Strategic report and the financial statements of Fashion Box UK Limited ('the company') for the year ended 31 December 2019.

#### **Principal activity and review of business and key performance indicators**

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

As shown in the company's Statement of comprehensive income on page 10, sales increased by 3.7% over the prior year and the operating loss of £414,941 turned into a profit of £23,905. This performance is due to growth of the wholesale business. 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 11 of the financial statements shows that at the end of the year the company had a net liabilities position. However, this is due to loans from the group which will not be called in until the company can make repayment.

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 financial statements.

#### **Future Developments**

The directors expect the general level of activity to increase and project a larger profit for the next period.

#### **Principal risks and uncertainties**

##### **Financial risk management**

The directors consider 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.

The directors' 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.

#### **Coronavirus**

As a result of the impact of coronavirus and the measures taken to contain it, the Fashion Box S.p.A. group, which is head quartered in Italy, has experienced a significant impact on its retail and wholesale business. The Group is taking steps to mitigate the impact of the virus and ensure the business can continue to operate and meet its liabilities as they fall due during this period of disruption. However, at the date these financial statements were signed, the situation was continuing to evolve and there was no certainty on its ultimate resolution or long term impact on the operations of the company.

## **Fashion Box UK Limited**

Approved and signed on behalf of the Board by:



J. Teehy  
Director

14/04/2020

**Fashion Box UK Limited**  
**Company Registration No. 04434550**

**Directors' report**

For the year ended 31 December 2019

The directors present the annual report and the audited financial statements of Fashion Box UK Limited for the year ended 31 December 2019.

**Results and dividends**

The company made a profit after tax of £24k (2018: loss of £415k). The directors do not recommend the payment of a dividend (2018: £nil).

**Directors**

*The directors who served during the year are as follows:*

R.Moresco  
J.Teeuw  
E.Volpi

**Future Developments**

The future developments of the company is detailed within the Strategic report on Page 2

**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, and not withstanding the impact of coronavirus, 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 (continued)**

#### **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.

Moore Kingston Smith 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:



J. Teeuw  
Director

14/04/2020

## **Fashion Box UK Limited**

**For the year ended 31 December 2019**

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual 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), 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 directors are 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**

### **Opinion**

We have audited the financial statements of Fashion Box UK Limited (the 'company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Material uncertainty in relation to going concern**

We draw attention to note 1 to the financial statements, which indicates that although the company has received confirmation that its ultimate parent, Fashion Box S.p.A. will provide sufficient financial support to ensure the company can pay its debts as they fall due for at least 12 months from the date these financial statements are signed, the impact on the group of coronavirus and the measures taken to contain it, is not yet certain. In addition, the company had net liabilities of £5,421,000 at 31 December 2019 (2018: £5,445,000). These factors, together with the other facts set out in note 1, indicate that a material uncertainty exists that may cast significant doubt on the group and company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard

## **Independent auditor's report to the members of Fashion Box UK Limited (cont.)**

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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.

### **Responsibilities of directors**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **Independent auditor's report to the members of Fashion Box UK Limited (cont.)**

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Use of our report**

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 for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and the company's members as a body, for our work, for this report, or for the opinions we have formed.



**Guy Richardson (Senior Statutory Auditor)  
for and on behalf of Moore Kingston Smith LLP**

15 April 2020  
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**Chartered Accountants  
Statutory Auditor**

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

## Fashion Box UK Limited

### Statement of comprehensive income Year ended 31 December 2019

	Notes	2019 £'000	2018 £'000
<b>Turnover</b>	1, 2	17,021	16,409
Cost of sales		12,001	11,655
<b>Gross profit</b>		5,020	4,754
Other operating expenses		(4,996)	(5,169)
Other operating income		-	-
<b>Operating profit (loss)</b>		24	(415)
<b>Profit (loss) on ordinary activities before taxation</b>	3	24	(415)
Tax on loss on ordinary activities	5	-	-
<b>Profit (loss) and total comprehensive expense for the financial year</b>		24	(415)
<b>Total comprehensive loss attributable to equity shareholders of the company</b>		24	(415)


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 As at 31 December 2019

	Notes	2019 £'000	2018 £'000
<b>Fixed assets</b>			
Tangible assets	6	134	243
		<u>134</u>	<u>243</u>
<b>Current assets</b>			
Stock	7	1,230	1,080
Debtors	8	5,676	4,737
Cash at bank and in hand		1,300	792
		<u>8,206</u>	<u>6,609</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(13,761)</u>	<u>(12,297)</u>
<b>Net current liabilities</b>		<u>(5,555)</u>	<u>(5,688)</u>
<b>Total assets less current liabilities</b>		<u>(5,421)</u>	<u>(5,445)</u>
<b>Net liabilities</b>		<u>(5,421)</u>	<u>(5,445)</u>
<b>Capital and reserves</b>			
Share capital	10	950	950
Capital contribution		6,300	6,300
Profit and loss account		<u>(12,671)</u>	<u>(12,695)</u>
<b>Shareholder's deficit</b>		<u>(5,421)</u>	<u>(5,445)</u>

The financial statements of Fashion Box UK Limited, registered number 04434550 were approved and signed on behalf of the Board 14 April 2020.



J. Teeuw  
Director

## **Fashion Box UK Limited**

### **Statement of changes in equity As at 31 December 2019**

	<b>Called Up Share capital £'000</b>	<b>Capital Contrib. £'000</b>	<b>Profit and loss account £'000</b>	<b>Total £'000</b>
<b>At 1 January 2018</b>	950	6,300	(12,280)	(5,030)
Loss for the financial period 2018	-	-	(415)	(415)
<b>At 31 December 2018</b>	<u>950</u>	<u>6,300</u>	<u>(12,695)</u>	<u>(5,445)</u>
<b>At 1 January 2019</b>	950	6,300	(12,695)	(5,445)
Profit for the financial period 2019	-	-	24	24
<b>At 31 December 2019</b>	<u>950</u>	<u>6,300</u>	<u>(12,671)</u>	<u>(5,421)</u>

## **Fashion Box UK Limited**

### **Notes to the financial statements Year ended 31 December 2019**

#### **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 private company domiciled & 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 4.

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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, rounded to the nearest thousand pounds.

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 13 to the financial statements. Exemptions have been taken in relation to presentation of a cash flow statement, the financial instruments disclosure, intra-group transactions and remuneration of key management personnel.

##### **Going concern**

At the year end the company had net liabilities of £5,421k (2018: £5.445k) which included £12,498k (2018: £10,802k) due to group undertakings.

The directors consider 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 financial statements.

However, as a result of the impact of coronavirus and the measures taken to contain it, the Fashion Box S.p.A. group, which is head quartered in Italy, has experienced a significant impact on its retail and wholesale business. The Group is taking steps to mitigate the impact of the virus and ensure the business can continue in operation during this period of disruption and meet its liabilities as they fall due. However, at the date these financial statements were signed, the situation was continuing to evolve and there was no certainty on its ultimate resolution or long term impact.

After making enquiries and taking into consideration the profitability and financial position of the company, the directors believe the company will be able to continue in business and meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and consequently have prepared the financial statements on a going concern basis.

##### **Turnover**

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

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer.

##### **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:

## **Fashion Box UK Limited**

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

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.

#### **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 Statement of Comprehensive Income over the term of such instruments at a constant rate on the carrying amount.



**1. Accounting policies (continued)**

**Leases**

Rentals under operating leases are charged to the Statement of Comprehensive Income 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.

**Financial instruments**

**(i) Trade debtors**

Trade debtors are amounts due from customers for good sold in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables.

**(ii) Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

**Pension costs**

The company provides pensions to certain employees through a number of defined contribution pension schemes. The amounts charged to the Statement of Comprehensive Income are the contributions payable in the year.

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical judgements in applying the Company's accounting policies**

No critical judgements have been made in the current year.

**Key sources of estimation uncertainty**

The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- Provisions for obsolete stock and sales returns which are based on both historic performance and expected performance of the company.

## Fashion Box UK Limited

### 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.

	2019 £'000	2018 £'000
<i>Principal activities</i>		
Wholesale business	13,156	12,846
Retail business	3,865	3,563
	<u>17,021</u>	<u>16,409</u>
<i>Geographical analysis</i>		
UK	16,564	15,870
Europe	457	539
	<u>17,021</u>	<u>16,409</u>

### 3. Loss on ordinary activities before taxation

Is stated after charging:

	2019 £'000	2018 £'000
Depreciation of fixed assets	137	214
Operating lease rentals:		
- Plant and machinery	10	15
- Land and buildings	1,967	1,933
Auditor's remuneration – fees payable to the company's auditor for the audit of the company's annual financial statements	19	25
Auditor's remuneration – non audit fees (tax compliance services)	4	6
Cost of stock recognised as an expense	12,002	11,655

## Fashion Box UK Limited

### 4. Staff numbers and costs

	2019 No.	2018 No.
<b>Average number of persons employed (including directors) was:</b>		
Stores	45	47
Wholesale distribution	4	3
Administration	2	1
<b>Total staff</b>	<b>51</b>	<b>51</b>
	<b>£'000</b>	<b>£'000</b>
<b>Staff costs during the year (including directors')</b>		
Aggregate salaries and wages	1,378	1,333
Social security costs	100	94
Pension costs	20	13
	<b>1,498</b>	<b>1,440</b>

The Company operates a defined contribution scheme for which the pension cost charge in the year amounted to £19,804 (2018: £12,860).

The directors received remuneration in respect of their services to the company in the current year of £29,659 (2018: £129,000).

### 5. Tax on loss on ordinary activities

	2019 £'000	2018 £'000
<b>Current tax</b>		
United Kingdom corporation tax	-	-
<b>Deferred tax</b>	-	-
<b>Total tax change per statement of comprehensive income</b>	<b>-</b>	<b>-</b>

## Fashion Box UK Limited

### 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:

	2019 £'000	2018 £'000
Loss on ordinary activities before taxation	24	(415)
Tax on loss at standard UK rate of 19% (2018: 19.25%)	5	(80)
Expenses not deductible for tax purposes	142	35
Utilisation of tax losses movement in unprovided deferred tax	(147)	(45)
Total tax charge	-	-

### 6. Tangible fixed assets

	fixtures and fittings £'000	Plant and Machinery £'000	Total £'000
<b>Cost</b>			
At 1 January 2019	1,252	43	1,295
Additions	27	-	27
Disposals	(13)	-	(13)
At 31 December 2019	1,266	43	1,309
<b>Depreciation</b>			
At 1 January 2019	1,018	34	1,052
Charge for the year	133	3	136
Disposals	(13)	-	(13)
At 31 December 2019	1,138	37	1,175
<b>Net book value</b>			
At 31 December 2019	128	6	134
At 31 December 2018	234	9	243

### 7. Stocks

	2019 £'000	2018 £'000
Finished goods	1,230	1,080

## Fashion Box UK Limited

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

	2019 £'000	2018 £'000
Trade debtors	4,087	3,196
Amounts owed by group undertakings	839	779
Other debtors	364	346
Prepayments and accrued income	386	416
	<u>5,676</u>	<u>4,737</u>

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

	2019 £'000	2018 £'000
Trade creditors	248	427
Amounts owed to group undertakings	12,498	10,802
Other creditors including taxation and social security	749	820
Accruals and deferred income	266	248
	<u>13,761</u>	<u>12,297</u>

### 10. Called up share capital

	2019 £'000	2018 £'000
<b>Called up, allotted and fully paid:</b>		
950,000 ordinary shares of £1 each	<u>950</u>	<u>950</u>

The Company's other reserves are as follows:

The contribution reserve contains the capital contributed by the parent company.

The profit and loss reserve represents cumulative profits or losses.

## **Fashion Box UK Limited**

### **11. Lease commitments**

The minimum annual operating lease rentals are as follows:

	<b>2019</b>	<b>2018</b>
	<b>Land and</b>	<b>Land and</b>
	<b>buildings</b>	<b>buildings</b>
	<b>£'000</b>	<b>£'000</b>
Leases which expire:		
Within one year	-	1,034
Between two and five years	1,545	4,162
After five years	3,417	2,073
	<u>4,962</u>	<u>7,269</u>

### **12. 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.

### **13. Ultimate parent company**

The company's immediate parent company is Fashion Box International SA. 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 its registered office at Fashion Box S.p.A Via Marcoai 1, 31010 Casella d'Asolo Treviso, Italy.