

05895246

COMPANY REGISTRATION NUMBER

VALENTINO ENGLAND LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2012

FRIDAY



L2GBN55L

LD2

06/09/2013

#44

COMPANIES HOUSE

VALENTINO ENGLAND LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

CONTENTS	PAGE
The directors' report	1
Independent auditor's report to the shareholder	4
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8
The following pages do not form part of the financial statements	
Detailed profit and loss account	17
Notes to the detailed profit and loss account	19

VALENTINO ENGLAND LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2012

The directors present their report and the financial statements of the company for the year ended 31 December 2012

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the period was distribution and sale of women's and men's luxury apparel and accessories

FUTURE DEVELOPMENTS

The company opened a new Valentino pop-up concession via Harrods store during July 2013. The new concession is expected to remain open for two years.

The Group structure in the UK is being re-organised during 2013. The company sold its 100% shareholding in Twenty One Limited to Valentino SpA in May 2013. It is anticipated that there will be a hive-across process in which the operations which are currently being conducted through Valentino England Limited will be transferred across to Twenty One LA Limited.

It is also anticipated that Red Valentino store at Westfield Mall will be closed by April 2014.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £329,985. The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The directors consider the company's exposure to price risk, credit risk, liquidity risk and cash flow to be low, and consider information relating to their financial risk management objectives and policies to be immaterial for the assessment of assets, liabilities, financial position and profit and loss of the company.

DIRECTORS

The directors who served the company during the year were as follows:

Mr A Bartalozzi

Mr M Piombini

POLICY ON THE PAYMENT OF CREDITORS

The company enters into contracts with all its suppliers agreeing payment terms. All invoices are paid as and when they fall due.

VALENTINO ENGLAND LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2012

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 year.

In preparing those 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;
- 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 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

VALENTINO ENGLAND LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2012

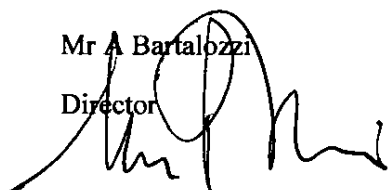
AUDITOR

Ashings Limited are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006

Signed on behalf of the directors

Mr A Bartalozzi

Director

A handwritten signature in black ink, appearing to be 'A Bartalozzi', written over the printed name and title.

Approved by the directors on 01/08/2013

VALENTINO ENGLAND LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
VALENTINO ENGLAND LIMITED
YEAR ENDED 31 DECEMBER 2012

We have audited the financial statements of Valentino England Limited for the year ended 31 December 2012. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholder, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholder those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the 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 2012 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 OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

VALENTINO ENGLAND LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
VALENTINO ENGLAND LIMITED
YEAR ENDED 31 DECEMBER 2012

We have audited the financial statements of Valentino England Limited for the year ended 31 December 2012. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholder, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholder those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the 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 2012 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 OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

VALENTINO ENGLAND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF VALENTINO ENGLAND LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2012

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



DARRYL ASHING FCA (Senior
Statutory Auditor)
For and on behalf of
ASHINGS LIMITED
Chartered Certified Accountants
& Statutory Auditor

Northside House, Mount Pleasant,
Cockfosters, Herts
EN4 9EB

1/2/13

VALENTINO ENGLAND LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2012

	Note	2012 £	2011 £
TURNOVER	2	5,001,840	3,920,793
Cost of sales		<u>(2,737,011)</u>	<u>(2,191,097)</u>
GROSS PROFIT		2,264,829	1,729,696
Distribution costs		(717,181)	(629,380)
Administrative expenses		(1,389,129)	(1,274,179)
Other operating income	3	<u>46,016</u>	<u>41,771</u>
OPERATING PROFIT/(LOSS)	4	204,535	(132,092)
Loss on disposal of fixed assets	6	<u>(397,567)</u>	<u>—</u>
		(193,032)	(132,092)
Income from shares in group undertakings	7	—	700,000
Interest receivable		6,197	8,296
Interest payable and similar charges	8	<u>(73,200)</u>	<u>(83,857)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(260,035)	492,347
Tax on (loss)/profit on ordinary activities	9	<u>(69,950)</u>	<u>(29,508)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(329,985)	462,839
Balance brought forward		<u>112,192</u>	<u>(350,647)</u>
Balance carried forward		<u>(217,793)</u>	<u>112,192</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 8 to 15 form part of these financial statements.

VALENTINO ENGLAND LIMITED

BALANCE SHEET

31 DECEMBER 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	10	849,406	1,001,810
Investments	11	4,315,563	4,315,563
		<u>5,164,969</u>	<u>5,317,373</u>
CURRENT ASSETS			
Stocks	12	1,683,516	1,316,345
Debtors	13	887,333	1,147,683
Cash at bank		208,587	479,629
		<u>2,779,436</u>	<u>2,943,657</u>
CREDITORS: Amounts falling due within one year	15	<u>(2,779,393)</u>	<u>(1,266,033)</u>
NET CURRENT ASSETS		43	1,677,624
TOTAL ASSETS LESS CURRENT LIABILITIES		5,165,012	6,994,997
CREDITORS: Amounts falling due after more than one year	16	<u>(1,000,000)</u>	<u>(2,500,000)</u>
		<u>4,165,012</u>	<u>4,494,997</u>
CAPITAL AND RESERVES			
Called-up equity share capital	18	4,382,805	4,382,805
Profit and loss account		(217,793)	112,192
SHAREHOLDER'S FUNDS	19	<u>4,165,012</u>	<u>4,494,997</u>

These financial statements were approved by the directors and authorised for issue on 21/08/2013 and are signed on their behalf by


Mr A Bartalozzi
Director

Company Registration Number 05895246

The notes on pages 8 to 15 form part of these financial statements

VALENTINO ENGLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES

Basis of accounting

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

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 398 of the Companies Act 2006 not to prepare group accounts

Cash flow statement

The company has taken advantage of exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

Turnover

Turnover comprises revenue recognised by the company in respect of services supplied, exclusive of Value Added Tax and trade discounts

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold Property	- over the lease period
Fixtures & Fittings	- over 6 years for furniture and fixtures and over 4 years for
Mannequins	
Equipment	- over 5 years straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

VALENTINO ENGLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

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 inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the 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. 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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company. An analysis of turnover is given below.

	2012 £	2011 £
United Kingdom	4,971,614	3,873,879
Overseas	30,226	46,914
	<u>5,001,840</u>	<u>3,920,793</u>

3. OTHER OPERATING INCOME

	2012 £	2011 £
Commission receivable	<u>46,016</u>	<u>41,771</u>

4. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging

	2012 £	2011 £
Directors' remuneration	—	—
Depreciation of owned fixed assets	210,848	127,482
Net loss on foreign currency translation	4,952	13,390
Auditor's remuneration	<u>2,000</u>	<u>2,000</u>

VALENTINO ENGLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

	2012	2011
	£	£
Auditor's remuneration - audit of the financial statements	<u>2,000</u>	<u>2,000</u>

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2012	2011
	No	No
Number of production staff	<u>17</u>	<u>15</u>

The aggregate payroll costs of the above were

	2012	2011
	£	£
Wages and salaries	379,297	374,472
Social security costs	<u>33,637</u>	<u>28,359</u>
	<u>412,934</u>	<u>402,831</u>

The average monthly number of employees, including the directors, during the year was as follows

6. LOSS ON DISPOSAL OF FIXED ASSETS

	2012	2011
	£	£
Loss on disposal of fixed assets	<u>(397,567)</u>	<u>—</u>

7. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2012	2011
	£	£
Income from group undertakings	<u>—</u>	<u>700,000</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
Other similar charges payable	<u>73,200</u>	<u>83,857</u>

VALENTINO ENGLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

9. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2012		2011
	£	£	£
Deferred tax			
Origination and reversal of timing differences (note 14)			
Capital allowances	86,349		44,608
Losses	<u>(16,399)</u>		<u>(15,100)</u>
Total deferred tax (note 14)		<u>69,950</u>	<u>29,508</u>

Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 24% (2011 - 26%)

	2012	2011
	£	£
(Loss)/profit on ordinary activities before taxation	<u>(260,035)</u>	<u>492,347</u>
Loss on ordinary activities by rate of tax	(62,408)	(128,010)
Expenses not deductible for tax purposes	131,652	169,688
Capital allowances for period in excess of depreciation	1,025	6,410
Effect of corporation tax losses	<u>(70,269)</u>	<u>(48,088)</u>
Total current tax	<u>-</u>	<u>-</u>

VALENTINO ENGLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

10. TANGIBLE FIXED ASSETS

	Leasehold Property £	Fixtures & Fittings £	Equipment £	Total £
COST				
At 1 January 2012	858,585	606,376	21,732	1,486,693
Additions	110,159	354,214	31,094	495,467
Disposals	(304,773)	(391,889)	–	(696,662)
Transfers	(15,018)	11,445	3,573	–
At 31 December 2012	<u>648,953</u>	<u>580,146</u>	<u>56,399</u>	<u>1,285,498</u>
DEPRECIATION				
At 1 January 2012	240,563	238,256	6,064	484,883
Charge for the year	93,533	108,600	8,715	210,848
On disposals	(119,451)	(140,188)	–	(259,639)
Transfers	(9,712)	7,508	2,204	–
At 31 December 2012	<u>204,933</u>	<u>214,176</u>	<u>16,983</u>	<u>436,092</u>
NET BOOK VALUE				
At 31 December 2012	<u>444,020</u>	<u>365,970</u>	<u>39,416</u>	<u>849,406</u>
At 31 December 2011	<u>618,022</u>	<u>368,120</u>	<u>15,668</u>	<u>1,001,810</u>

11. INVESTMENTS

	Subsidiary Undertaking
	£
COST	
At 1 January 2012 and 31 December 2012	<u>4,315,563</u>
NET BOOK VALUE	
At 31 December 2012 and 31 December 2011	<u>4,315,563</u>

VALENTINO ENGLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

11. INVESTMENTS *(continued)*

The company holds 100% of the issued ordinary share capital of the following companies.

Subsidiary undertakings	Country of incorporation
Twenty One LA Limited	England

The aggregate amount of capital and reserves and the results of the associate undertakings for the last financial year were as follows

	2012 £	2011 £
Aggregate capital and reserves		
Twenty One LA Limited	1,587,210	693,488
	2012 £	2011 £
Profit and (loss) for the year		
Twenty One LA Limited	(893,722)	286,882

12. STOCKS

	2012 £	2011 £
Stock	1,683,516	1,316,345

13. DEBTORS

	2012 £	2011 £
Trade debtors	399,292	394,760
Amounts owed by group undertakings	328,973	580,055
Other debtors	11,474	12,508
Prepayments and accrued income	139,053	81,869
Deferred taxation (note 14)	8,541	78,491
	<u>887,333</u>	<u>1,147,683</u>

14. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows

	2012 £	2011 £
Included in debtors (note 13)	<u>8,541</u>	<u>78,491</u>

The movement in the deferred taxation account during the year was

	2012 £	2011 £
Balance brought forward	78,491	107,999
Profit and loss account movement arising during the year	(69,950)	(29,508)
Balance carried forward	<u>8,541</u>	<u>78,491</u>

VALENTINO ENGLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

14. DEFERRED TAXATION *(continued)*

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2012	2011
	£	£
Excess of depreciation over taxation allowances	12,311	98,660
Tax losses available	(3,770)	(20,169)
	<u>8,541</u>	<u>78,491</u>

15. CREDITORS: Amounts falling due within one year

	2012	2011
	£	£
Trade creditors	234,362	138,634
Amounts owed to group undertakings	2,139,822	894,251
Other creditors including taxation and social security		
PAYE and social security	15,469	—
VAT	142,971	111,618
Other creditors	<u>3,141</u>	<u>—</u>
	161,581	111,618
Accruals and deferred income	243,628	121,530
	<u>2,779,393</u>	<u>1,266,033</u>

16. CREDITORS: Amounts falling due after more than one year

	2012	2011
	£	£
Amounts owed to group undertakings	<u>1,000,000</u>	<u>2,500,000</u>

17. RELATED PARTIES TRANSACTIONS

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company

18. SHARE CAPITAL

Allotted, called up and fully paid:

	2012	2011
	No	No
	£	£
4,382,805 Ordinary shares of £1 each	<u>4,382,805</u>	<u>4,382,805</u>

VALENTINO ENGLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2012	2011
	£	£
(Loss)/Profit for the financial year	(329,985)	462,839
Opening shareholder's funds	4,494,997	4,032,158
Closing shareholder's funds	<u>4,165,012</u>	<u>4,494,997</u>

20. POST BALANCE SHEET EVENTS

On 15th May 2013, the company sold 100% of the investment in Twenty One LA Limited, to the parent company, Valentino S P A for a consideration of £4,315,563

On 30th June 2013, the company has repaid an outstanding balance on the long-term loan of £1,000,000 to the parent company, Valentino S P A

In July 2013, the company launched a new Valentino pop-up department at Harords store

21. PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company is Valentino S p A. The ultimate parent company is Valentino Fashion Group S p A The ultimate controlling party is Mayhoola For Investments