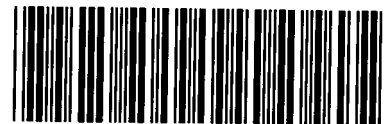


COMPANY REGISTRATION NUMBER 05895246

**VALENTINO ENGLAND LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2013**

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VALENTINO ENGLAND LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

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VALENTINO ENGLAND LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	Mr A Bartalozzi Mr M Piombini
Company secretary	Temple Secretarial Limited
Registered office	16 Old Bailey London EC4M 7EG
Auditor	Ashings Limited Chartered Accountants & Statutory Auditor Northside House, Mount Pleasant, Cockfosters, Herts. EN4 9EB
Bankers	HSBC 60 Queen Victoria Street London EC4N 4TR

VALENTINO ENGLAND LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2013

The directors present their strategic report on the Company for the year ended 31 December 2013.

Principal activities and business review

The principal activity of Valentino England Limited ("the Company") during the year was the distribution and sale of women's and men's luxury apparel and accessories in the stores of Harrods, Westfield Mall(London) and Bicester Outlet Village.

The directors are satisfied with the results for the year and the balance sheet position.

The company has made good trading progress throughout the financial year 2013, despite the challenges posed by the overall economic conditions and the difficult environment in the retail business. The company reported a profit after tax of £106.5K compared to a loss after tax of -£329.9K in 2012.

The positive results have been achieved by maintaining a clear focus on attracting new customers, providing high quality product, improving presentation, value and service to customers. This in turn, led to a significant growth in sales revenue, particularly reflected in Harrods and Bicester outlets and an overall increase in Company profit as summarised below:

- Total revenue increased significantly by + 34% from £5m to 6.7m
- Gross profit increased by + 24 % on the prior-year level from £2.2m to £2.8m
- Operating profit was down - by 35% from £ 204.5K to £133.1K in 2013
- Profit before taxation was £190.7K compared to loss of -£260K in 2012

Key performance indicators

The performance indicators relating to the company's results are: Net sales, Gross Margin, EBITDA and EBITDA pre non-recurring items, Operating income, EBIT, Income Before Taxes, Net Income, Net Working Capital, Net Invested Capital, Net Financial Debt, Capex. All performance indicators are prepared on a monthly or quarterly basis and compared with budget, forecast and pre-closing figures. There are additional performance indicators relating to the single boutique results : Net Sales, Traffic (it is measured through apposite automatic counters at any entrance of our boutiques), Transactions (number of receipts issued), Conversion rate (measured by taking into account the traffic and the transactions), Average Ticket Value, Unit per transaction, Average selling price, Sales Codification Index (percentage of sales that can be attached to a client and represents how many sales on the total sales of each boutique are codified), Recruiting (indicates the number of new clients purchasing in the store on the total clients number), Rewarding clients (percentage of the previous year clients that are repeating purchases in the current year), Recovering clients (percentage of clients that purchased again after a few years not purchasing), Clients Contactability (percentage of customers registered with at least one active contact between e-mail address and telephone number). These indicators are prepared on a weekly, monthly, quarterly basis and for some of them there is a budget to be compared with the actual results.

Future developments

The Group structure in the UK was re-organised on 1st January 2014 when all the business of Harrods and Bicester which were conducted through Valentino England Limited were transferred across to Twenty One LA Limited. The remaining trade continued to operate through the Red Valentino store at Westfield Mall until 25th March 2014 when the shop was closed. The company ceased trading on 25th March 2014 and the directors intend to strike

VALENTINO ENGLAND LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2013

the Company off before the end of 2014.

Principal risks and Uncertainties

The directors consider that the principal risks and uncertainties faced by the Company to be Market and Currency risks.

a) Market Risks (Seasonality of Revenues)

The fashion and luxury sector is characterised by significant seasonality. Every Season the Company launches new collections subject to consumer's appreciation and therefore sales are dependent on the success of each season's collection.

b) Currency Exchange rate risks

The exchange rate risks derive primarily from purchases made by the Company from Europe where the denominated currency is Euro.

Signed on behalf of the directors

Mr A Bartalozzi

Director

Approved by the directors on 1/9/14

VALENTINO ENGLAND LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements of the company for the year ended 31 December 2013.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £106,537. 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.

RESEARCH AND DEVELOPMENT

The company has not undertaken any research and development during the year and is not expecting to in the future.

DIRECTORS

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

Mr A Bartalozzi
Mr M Piombini

GOING CONCERN

The company ceased trading on 25th of March 2014. Beyond that date, Valentino England Limited no longer run any direct to consumer activity and currently, there are not any plans to open a new store or start-up a new business. The directors intend to strike off the company before the end of 2014.

As the company is solvent and has positive net assets the directors are of the opinion that it is appropriate to adopt the going concern basis in preparing the financial statements.

DISCLOSURE OF INFORMATION TO AUDITOR

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.

POST BALANCE SHEET EVENT

On 1st January 2014 the group structure in the UK was re-organised and part of the business and assets of Valentino England Limited relating to Harrods and Bicester were transferred to Twenty One LA Limited for a consideration of £175,222. The remaining trade of the company continued to be operated through Westfield store until 25th March 2014 when the store was closed. On that same date Valentino England Limited ceased trading. The directors intend to strike off the company before end of 2014.

STRATEGIC REPORT

The Company has chosen to include at pages 2 & 3 of the financial statements a Strategic Report in accordance with section 414C (11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the Company's Strategic Report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

VALENTINO ENGLAND LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2013

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

Approved by the directors on 21/9/14

VALENTINO ENGLAND LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 DECEMBER 2013

The directors are responsible for preparing the Strategic Report, 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 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;
- 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.

VALENTINO ENGLAND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VALENTINO ENGLAND LIMITED

YEAR ENDED 31 DECEMBER 2013

We have audited the financial statements of Valentino England Limited for the year ended 31 December 2013. 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 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 DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2013 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.

EMPHASIS OF MATTER

Going concern

Without qualifying our audit report we draw your attention to note 1 where it is explained that the company has disposed of its business and ceased trading on 25th March 2014

VALENTINO ENGLAND LIMITED

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

YEAR ENDED 31 DECEMBER 2013

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.



DARRYL ASHING FCA (Senior Statutory Auditor)

For and on behalf of

ASHINGS LIMITED

Chartered Accountants & Statutory Auditor

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

11/11/14

VALENTINO ENGLAND LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £	2012 £
TURNOVER	2	6,681,568	5,001,840
Cost of sales		<u>(3,883,733)</u>	<u>(2,737,011)</u>
GROSS PROFIT		2,797,835	2,264,829
Distribution costs		(912,667)	(717,181)
Administrative expenses		(1,852,493)	(1,389,129)
Other operating income	3	<u>100,494</u>	<u>46,016</u>
OPERATING PROFIT	4	133,169	204,535
Loss on disposal of fixed assets	6	<u>(15)</u>	<u>(397,567)</u>
		133,154	(193,032)
Interest receivable		84,358	6,197
Interest payable and similar charges	7	<u>(26,808)</u>	<u>(73,200)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		190,704	(260,035)
Tax on profit/(loss) on ordinary activities	8	<u>(84,167)</u>	<u>(69,950)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		106,537	(329,985)
Balance brought forward		<u>(217,793)</u>	<u>112,192</u>
Balance carried forward		<u>(111,256)</u>	<u>(217,793)</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 11 to 18 form part of these financial statements.

VALENTINO ENGLAND LIMITED

BALANCE SHEET

31 DECEMBER 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Tangible assets	9	592,464	849,406
Investments	10	–	4,315,563
		<u>592,464</u>	<u>5,164,969</u>
CURRENT ASSETS			
Stocks	11	1,851,017	1,683,516
Debtors	12	4,118,289	887,333
Cash at bank		580,155	208,587
		<u>6,549,461</u>	<u>2,779,436</u>
CREDITORS: Amounts falling due within one year	14	<u>(2,850,376)</u>	<u>(2,779,393)</u>
NET CURRENT ASSETS		<u>3,699,085</u>	<u>43</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,291,549</u>	<u>5,165,012</u>
CREDITORS: Amounts falling due after more than one year	15	–	(1,000,000)
PROVISIONS FOR LIABILITIES			
Other provisions	16	(20,000)	–
		<u>4,271,549</u>	<u>4,165,012</u>
CAPITAL AND RESERVES			
Called-up equity share capital	19	4,382,805	4,382,805
Profit and loss account		(111,256)	(217,793)
SHAREHOLDER'S FUNDS	20	<u>4,271,549</u>	<u>4,165,012</u>

These accounts were approved by the directors and authorised for issue on 11/9/14, and are signed on their behalf by:

M. A. Bartalozzi
Director

Company Registration Number: 05895246

The notes on pages 11 to 18 form part of these financial statements.

VALENTINO ENGLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated 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 the company is wholly owned and its parent publishes a consolidated cash flow statement

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.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

VALENTINO ENGLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

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.

Going concern

On 25th March 2014 the company disposed of all its assets and liabilities and ceased trading on that date. The directors are of the opinion that the company remains solvent and therefore it is appropriate to adopt the going concern basis in these financial statements.

2. TURNOVER

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

	2013	2012
	£	£
United Kingdom	6,580,970	4,971,614
Overseas	100,598	30,226
	<u>6,681,568</u>	<u>5,001,840</u>

3. OTHER OPERATING INCOME

	2013	2012
	£	£
Commission receivable	44,570	46,016
Other operating income	55,924	—
	<u>100,494</u>	<u>46,016</u>

VALENTINO ENGLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

4. OPERATING PROFIT

Operating profit is stated after charging:

	2013 £	2012 £
Directors' remuneration	-	-
Depreciation of owned fixed assets	289,206	210,848
Net loss on foreign currency translation	11,799	4,952
Auditor's remuneration	2,000	2,000
	<u>2013</u>	<u>2012</u>
	£	£
Auditor's remuneration - audit of the financial statements	2,000	2,000

5. PARTICULARS OF EMPLOYEES

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

	2013 No	2012 No
Number of production staff	-	17
Number of distribution staff	17	-
	<u>17</u>	<u>17</u>

The aggregate payroll costs of the above were:

	2013 £	2012 £
Wages and salaries	444,251	379,297
Social security costs	36,199	33,637
	<u>480,450</u>	<u>412,934</u>

None of the Directors received any remuneration during the year.

6. LOSS ON DISPOSAL OF FIXED ASSETS

	2013 £	2012 £
Loss on disposal of fixed assets	(15)	(397,567)

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £	2012 £
Other similar charges payable	26,808	73,200

VALENTINO ENGLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2013 £	2012 £
Current tax:		
UK Corporation tax based on the results for the year at 23.25% (2012 - 24%)	75,626	-
Total current tax	75,626	-
Deferred tax:		
Origination and reversal of timing differences		
Capital allowances	12,311	86,349
Losses	(3,770)	(16,399)
Total deferred tax (note 13)	8,541	69,950
Tax on profit/(loss) on ordinary activities	84,167	69,950

(b) Factors affecting current tax charge

The tax assessed on the profit/ (loss) on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 23.25% (2012 - 24%).

	2013 £	2012 £
Profit/(loss) on ordinary activities before taxation	190,704	(260,035)
Profit/(loss) on ordinary activities by rate of tax	44,339	(62,408)
Expenses not deductible for tax purposes	9,482	131,652
Capital allowances for period in excess of depreciation	33,738	1,025
Effect of corporation tax losses	(11,926)	(70,269)
Rounding on tax charge	(7)	-
Total current tax (note 8(a))	75,626	-

VALENTINO ENGLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

9. TANGIBLE FIXED ASSETS

	Leasehold Property £	Fixtures & Fittings £	Equipment £	Total £
COST				
At 1 January 2013	648,953	580,146	56,399	1,285,498
Additions	1,065	65,380	(2,170)	64,275
Disposals	—	(1,437)	—	(1,437)
Adjustment	(53,980)	—	—	(53,980)
At 31 December 2013	596,038	644,089	54,229	1,294,356
DEPRECIATION				
At 1 January 2013	204,933	214,176	16,983	436,092
Charge for the year	185,047	88,548	15,611	289,206
On disposals	—	(1,422)	—	(1,422)
Adjustment	(21,984)	—	—	(21,984)
At 31 December 2013	367,996	301,302	32,594	701,892
NET BOOK VALUE				
At 31 December 2013	228,042	342,787	21,635	592,464
At 31 December 2012	444,020	365,970	39,416	849,406

10. INVESTMENTS

	Subsidiary Undertaking £
COST	
At 1 January 2013	4,315,563
Disposals	(4,315,563)
At 31 December 2013	—
NET BOOK VALUE	
At 31 December 2013	—
At 31 December 2012	4,315,563

On 15th May 2013 as part of an internal restructuring, the Company sold 100% of its investment in its subsidiary Twenty One LA Limited to the Parent Company, Valentino S.P.A for a consideration of £4,315,563. No gain or loss arose on the disposal.

VALENTINO ENGLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

11. STOCKS

	2013 £	2012 £
Stock	<u>1,851,017</u>	<u>1,683,516</u>

12. DEBTORS

	2013 £	2012 £
Trade debtors	346,271	399,292
Amounts owed by group undertakings	3,514,426	328,973
Other debtors	145,113	11,474
Prepayments and accrued income	112,479	139,053
Deferred taxation (note 13)	-	8,541
	<u>4,118,289</u>	<u>887,333</u>

13. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows:

	2013 £	2012 £
Included in debtors (note 12)	-	<u>8,541</u>

The movement in the deferred taxation account during the year was:

	2013 £	2012 £
Balance brought forward	8,541	78,491
Profit and loss account movement arising during the year	(8,541)	(69,950)
Balance carried forward	<u>-</u>	<u>8,541</u>

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

	2013 £	2012 £
Excess of depreciation over taxation allowances	-	12,311
Tax losses available	-	(3,770)
	<u>-</u>	<u>8,541</u>

VALENTINO ENGLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

14. CREDITORS: Amounts falling due within one year

	2013	2012
	£	£
Trade creditors	189,200	234,362
Amounts owed to group undertakings	2,216,728	2,139,822
Corporation tax	75,626	—
PAYE and social security	—	15,469
VAT	148,459	142,971
Other creditors	1,382	3,141
Accruals and deferred income	218,981	243,628
	<u>2,850,376</u>	<u>2,779,393</u>

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

	2013	2012
	£	£
Amounts owed to group undertakings	—	<u>1,000,000</u>

16. OTHER PROVISIONS

	2013
	£
Provisions for dilapidations: Movement for year	<u>20,000</u>

Provision for dilapidation costs represents the estimated cost of dilapidation work on the leased Shop in Westfield Shopping Mall prior to the shop being vacated at the end of its lease term. The Shop was closed on 25th March 2014.

17. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings	
	2013	2012
	£	£
Operating leases which expire: After more than 5 years	<u>-</u>	<u>357,075</u>

The company had no operating lease commitments at 31 December 2013.

18. 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.

VALENTINO ENGLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

19. SHARE CAPITAL

Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
Ordinary shares of £1 each	<u>4,382,805</u>	<u>4,382,805</u>	<u>4,382,805</u>	<u>4,382,805</u>

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2013	2012
	£	£
Profit/(Loss) for the financial year	106,537	(329,985)
Opening shareholder's funds	<u>4,165,012</u>	<u>4,494,997</u>
Closing shareholder's funds	<u>4,271,549</u>	<u>4,165,012</u>

21. POST BALANCE SHEET EVENTS

On 1st January 2014 the group structure in the UK was re-organised and part of the business and assets of Valentino England Limited relating to Harrods and Bicester were transferred to Twenty One LA Limited for a consideration of £175,222. The remaining trade of the company continued to be operated through Westfield store until 25th March 2014 when the store was closed. On that same date Valentino England Limited ceased trading. The directors intend to strike off the company before end of 2014.

22. PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate Parent Company is Valentino S.p.A and the Ultimate Parent Company is Valentino Fashion Group S.p.A, incorporated in Italy.

The Parent of the smallest and largest group for which consolidated financial statements include the Company is Valentino Fashion Group S.p.A. Copies of these group financial statements are available on request at its registered office Via Turati 16/18, 20121 Milan.

The ultimate Controlling Party is Mayhoola For Investments S.P.C, a company registered in Qatar.