

COMPANY REGISTRATION NUMBER 06739923

BRAND INVESTMENTS VEHICLE 2 LIMITED

ABBREVIATED ACCOUNTS

31 DECEMBER 2011

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BRAND INVESTMENTS VEHICLE 2 LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2011

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BRAND INVESTMENTS VEHICLE 2 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BRAND INVESTMENTS VEHICLE 2 LIMITED

YEAR ENDED 31 DECEMBER 2011

We have examined the abbreviated accounts set out on pages 2 to 4, together with the financial statements of Brand Investments Vehicle 2 Limited for the year ended 31 December 2011 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

OTHER INFORMATION

On 19/1/12 we reported as auditor to the members of the company on the financial statements prepared under Section 396 of the Companies Act 2006 and our report included the following paragraph:

EMPHASIS OF MATTER - RECOVERABILITY OF ACCRUED INCOME

In forming our opinion on the financial statement, which is not modified, we have considered the adequacy of the disclosures made in note 3 to the financial statements concerning the recoverability of accrued income arising from a loan to and preference shares of the company's subsidiary Brand Investments Vehicle 3 Limited. The receipt of the accrued income is dependent upon the performance of Brand Investments Vehicle 3 Limited's investment in Iconix Europe LLC. The nature of the business of Iconix Europe LLC creates an inherent uncertainty as to the timing and amount of profits and cash flow of that entity and hence the ability of Brand Investments Vehicle 3 Limited to repay the amounts when they fall due for payment. The financial statements do not include any adjustments that may be necessary to reduce the carrying value of the other debtors to their recoverable amounts should the performance of Iconix Europe LLC fall below that expected by the directors.

Heathrow Business Centre
65 High Street
Egham
Surrey TW20 9EY

19/1/12

Menzie

ANDREW COOK (FCA) (Senior
Statutory Auditor)
For and on behalf of
MENZIES LLP
Chartered Accountants
& Statutory Auditor

BRAND INVESTMENTS VEHICLE 2 LIMITED

ABBREVIATED BALANCE SHEET

31 DECEMBER 2011

	Note	2011 £	2010 £
FIXED ASSETS			
Investments	2	4,055,306	4,055,306
CURRENT ASSETS			
Debtors	3	2,859,926	2,176,728
Cash at bank and in hand		379,307	1,375,458
		<u>3,239,233</u>	<u>3,552,186</u>
CREDITORS. Amounts falling due within one year		<u>216,509</u>	<u>1,043,661</u>
NET CURRENT ASSETS		<u>3,022,724</u>	<u>2,508,525</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,078,030</u>	<u>6,563,831</u>
 CREDITORS: Amounts falling due after more than one year		 8,606,023	 7,649,798
CAPITAL AND RESERVES			
Called-up equity share capital	4	50	50
Profit and loss account		<u>(1,528,043)</u>	<u>(1,086,017)</u>
DEFICIT		<u>(1,527,993)</u>	<u>(1,085,967)</u>
		<u>7,078,030</u>	<u>6,563,831</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These abbreviated accounts were approved by the directors and authorised for issue on 17/9/2012 and are signed on their behalf by:

S Bamber

Company Registration Number 06739923

The notes on pages 3 to 4 form part of these abbreviated accounts.

BRAND INVESTMENTS VEHICLE 2 LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

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.

Turnover

The turnover shown in the profit and loss account represents amounts receivable for goods and services provided during the year in the normal course of business, net of trade discounts, VAT and other sales and related taxes.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2. FIXED ASSETS

	Investments £
COST	
At 1 January 2011 and 31 December 2011	<u>4,055,306</u>
NET BOOK VALUE	
At 31 December 2011	<u>4,055,306</u>
At 31 December 2010	<u>4,055,306</u>

The company owns 76% of the issued ordinary share capital and 100% of the issued preference share capital of Brand Investments Vehicle 3 Limited.

	2011 £	2010 £
Aggregate capital and reserves		
Brand Investments Vehicle 3 Limited	<u>(1,389,702)</u>	<u>(646,877)</u>
Profit and (loss) for the year		
Brand Investments Vehicle 3 Limited	<u>(742,825)</u>	<u>(646,977)</u>

The company also owns 30% of the ordinary 'A' share capital of The Licensing Company Limited.

	31 March 2011 £	31 March 2010 £
Aggregate capital and reserves		
The Licensing Company Limited	<u>2,353,125</u>	<u>2,280,234</u>
Profit and (loss) for the year		
The Licensing Company Limited	<u>119,091</u>	<u>528,980</u>

BRAND INVESTMENTS VEHICLE 2 LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2011

3. DEBTORS

	2011 £	2010 £
Amounts owed by group undertakings	1,501,551	1,500,000
Called up share capital not paid	-	47,617
Other debtors	1,358,375	629,111
	<u>2,859,926</u>	<u>2,176,728</u>

The debtors above include the following amounts falling due after more than one year

	2011 £	2010 £
Amounts owed by group undertakings	1,500,000	1,500,000
Other debtors	1,353,165	624,111
	<u>2,853,165</u>	<u>2,124,111</u>

The other debtors due in more than one year totaling £1,353,165 relate to interest accrued of £670,652 on the loan to the company's subsidiary, Brand Investment Vehicle 3 Limited, and accrued preference share dividends of £682,513 relating to the preference shares of the same company. Both amounts are due to be received by the company on 21 December 2014.

The receipt of the amounts referred to above are dependent upon the performance of Brand Investments Vehicle 3 Limited's investment in Iconix Europe LLC. Iconix Europe LLC owns a portfolio of brands which it is seeking to develop and expand in Europe.

The directors have carefully considered the current performance of Iconix Europe LLC together with its proposed plans for exploitation of the properties owned and are comfortable that sufficient income will be derived from its investment in Iconix Europe LLC to enable Brand Investment Vehicle 3 Limited to pay the amounts accrued in full when they fall due.

In arriving at this view, the directors acknowledge that the nature of the Direct To Retail licensing agreements that form the core business of Iconix Europe LLC create an inherent uncertainty as to when agreements can be concluded and the timing and volume of the income streams and hence the profitability profile of the LLC, however they remain confident that sufficient profits and cash flow will be achieved to enable the full recoverability of the balances carried above and that accordingly no provision for irrecoverability is required.

4. SHARE CAPITAL

Allotted and called up:

	2011		2010	
	No	£	No	£
500 Ordinary shares of £0.10 each	500	50	500	50
62,499,500 Preference shares of £0.10 each	62,499,500	6,249,950	62,499,500	6,249,950
	<u>62,500,000</u>	<u>6,250,000</u>	<u>62,500,000</u>	<u>6,250,000</u>

	2011 £	2010 £
Amounts presented in equity:		
500 Ordinary shares of £0.10 each	<u>50</u>	<u>50</u>

Amounts presented in liabilities:		
62,499,500 Preference shares of £0.10 each	<u>6,249,950</u>	<u>6,249,950</u>

The amounts of paid up share capital for the following categories of shares differed from the called up share capital stated above due to unpaid calls and were as follows:

	2011 £	2010 £
Preference shares	<u>-</u>	<u>47,617</u>

5. ULTIMATE CONTROLLING PARTY

The directors consider there to be no ultimate controlling party by virtue of there being no majority shareholder.