

**Company Registration No. 07474413**

**Poppy Bidco Limited**

**Report and Financial Statements**

**21 December 2010 to 28 January 2012**

THURSDAY



\*L19LGPV7\*

LD2

24/05/2012

#15

COMPANIES HOUSE

# **Poppy Bidco Limited**

## **Report and financial statements 2012**

<b>Contents</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Independent auditor's report</b>	<b>5</b>
<b>Profit and loss account</b>	<b>6</b>
<b>Balance sheet</b>	<b>7</b>
<b>Notes to the financial statements</b>	<b>8</b>

# **Poppy Bidco Limited**

## **Report and financial statements 2012**

### **Officers and professional advisers**

#### **Directors**

M Rahamim	appointed 7 February 2011
J Bremner	appointed 7 February 2011
L Harlow	appointed 7 February 2011
B Barnett	appointed 7 February 2011
G Chittick	appointed 7 February 2011
W Ginsberg	
A Rolfe	appointed 7 February 2011
K Saddi	
G Tambling	appointed 7 February 2011
I Wallis	appointed 23 May 2011
A Rosenthal	resigned 7 February 2011

#### **Registered Office**

21 Carnwath Road  
London  
SW6 3HR

#### **Bankers**

Lloyds TSB  
PO Box 72  
Bailey Drive  
Gillingham  
ME8 0LS

#### **Solicitors**

Palmers Solicitors  
PO Box 455  
46 Harpur Street  
Bedford  
MK40 2YU

#### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Four Brindleyplace  
Birmingham  
B1 2HZ

# Poppy Bidco Limited

## Directors' report

The Company was incorporated on 21 December 2010 and accordingly this is the first report and financial statements for the Company. The directors present their report and the audited financial statements for the period ended 28 January 2012. The Company's registered number is 07474413.

### Principal activities

The Company acts as a holding company. The principal activities of the wider group (the "Group") are the design and retail of women's fashion clothing.

### Principal risks and uncertainties

The principal risks and uncertainties facing the Company relate to the underlying performance of its investments. To mitigate this risk the Company has invested in a business which has a strong recent trading performance.

Phase Eight (Fashion & Designs) Limited, as the principal trading company within the Group, is a well established brand, with a loyal following and distinct identity.

### Review of business

The profit and loss account is shown on page 6 of the financial statements. As the Company is non-trading there was no turnover. A loss after tax of £3,047,000 was made in the period.

At 28 January 2012 the Company had net assets of £82,637,000.

In the opinion of the directors, other than those disclosed with the profit and loss account for the Company, there are no Key Performance Indicators whose disclosure is necessary for an understanding of the development, performance or position of the business. The performance of the underlying investments is disclosed in Poppy Holdco Limited consolidated accounts, these are publicly available.

### Future developments

The directors do not expect any significant change in the trading or status of Poppy Bidco Limited in the future.

### Results and dividends

In the period ended 28 January 2012, the result is a retained loss of £3,047,000.

The directors do not recommend the payment of a dividend for the period ended 28 January 2012. There was no dividend paid or declared during the period.

### Directors

The directors who served during the period under review and up to the date of signing of the financial statements were as follows:

M Rahamim	appointed 7 February 2011
J Bremner	appointed 7 February 2011
L Harlow	appointed 7 February 2011
B Barnett	appointed 7 February 2011
G Chittick	appointed 7 February 2011
W Ginsberg	
A Rolfe	appointed 7 February 2011
K Saddi	
G Tambling	appointed 7 February 2011
I Wallis	appointed 23 May 2011
A Rosenthal	resigned 7 February 2011

# Poppy Bidco Limited

## Directors' report (continued)

### Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of credit risk, liquidity risk and interest rate risk. The Company seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of cash holdings, debt finance and the related finance costs. The Company holds two interest rate swaps used to fix interest rates on borrowings.

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Company's finance department.

Credit, liquidity and interest rate risk are managed at director level.

### Going concern

The company is dependant on other Group companies as it is party to bank guarantees which relate to the whole Group. The directors, having taken account of the Group's net cash resources and bank facilities consider that the Company and the Group have adequate resources to continue as a going concern for the foreseeable future, being a period of at least 12 months from the date of this report. The Group continues to trade strongly inspite of the difficult economic conditions. Therefore it is appropriate to adopt the going concern basis in preparing these financial statements. The validity of this assumption depends on the continued support of other Group companies. Poppy Holdco Limited has confirmed its intention to provide such support for at least one year from the date of signing these financial statements.

### Directors' responsibilities statement

The directors are responsible for preparing 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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 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.

### Auditor

Deloitte LLP were appointed as auditors during the period and have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors.

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and

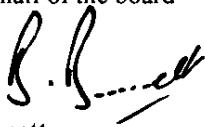
## **Poppy Bidco Limited**

### **Directors' report (continued)**

- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself 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

On behalf of the board

A handwritten signature in black ink, appearing to read 'B. Barnett', with a horizontal line extending from the end of the signature.

**B Barnett**  
**Director**  
**18 May 2012**

## **Independent auditor's report to the members of Poppy Bidco Limited**

We have audited the financial statements of Poppy Bidco Limited for the period from 21 December 2010 to 28 January 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 18. 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, 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. 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 28 January 2012 and of its loss for the period 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 period 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 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.



Jane Whitlock (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Birmingham, 18 May 2012

## Poppy Bidco Limited

### Profit and loss account

Period ended 28 January 2012

	Note	21 December 2010 to 28 January 2012 £'000
Turnover	2	-
Administrative expenses		(991)
Other income		1,048
		<hr/>
Net operating loss		57
Interest receivable and similar income	5	1,944
Interest payable and similar charges	6	(5,048)
		<hr/>
Loss on ordinary activities before taxation		(3,047)
Tax on loss on ordinary activities	7	-
		<hr/>
Loss for the financial period	15	<u>(3,047)</u>

The accompanying notes are an integral part of this profit and loss account

The profit and loss account has been prepared on the basis that all operations are continuing operations

The Company had no gains or losses other than those included in the losses above, therefore no separate statement of total recognised gains and losses has been presented



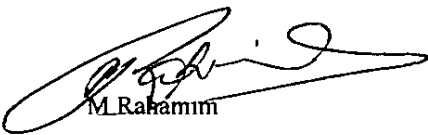
## Poppy Bidco Limited

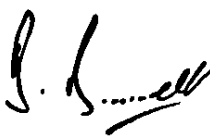
### Balance sheet 28 January 2012

	Note	2012 £'000
<b>Fixed assets</b>		
Investments	9	85,304
<b>Current assets</b>		
Debtors	10	41,909
Cash and cash equivalents		37
<b>Creditors' amounts falling due within one year</b>	11	(4,049)
<b>Net current assets</b>		37,897
<b>Total assets less current liabilities</b>		123,201
<b>Creditors: amounts falling due after more than one year</b>	12	(40,564)
<b>Net assets</b>		82,637
<b>Capital and reserves</b>		
Called up share capital	14	85,684
Profit and loss account	15	(3,047)
<b>Total shareholders' funds</b>	16	82,637

The accompanying notes are an integral part of this balance sheet

The financial statements of Poppy Bidco Limited registered company number 07474413 were approved by the board of directors and authorised for issue on 18 May 2012 and were signed on its behalf by

  
M Rahamim  
Director

  
B Barnett  
Director

# **Poppy Bidco Limited**

## **Notes to the financial statements (continued)** **Period ended 28 January 2012**

### **1. Accounting policies**

The accounts have been prepared on the going concern basis, under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom and Companies Act 2006 as consistently applied unless otherwise stated

The company has opted to apply Section 390(3) of the Companies Act 2006. This permits the company to end its financial year on 28 January 2012, being the nearest Saturday to 31 January in the calendar year, as it is not more than 7 days after or before the end of the year dated 31 January 2012

#### **Going concern**

The company is dependant on other Group companies as it is party to bank guarantees which relate to the whole Group. The directors, having taken account of the Group's net cash resources and bank facilities consider that the Company and the Group have adequate resources to continue as a going concern for the foreseeable future, being a period of at least twelve months from the date of these financial statements. The Group continues to trade strongly in spite of the difficult economic conditions. Therefore it is appropriate to adopt the going concern basis in preparing these financial statements. The validity of this assumption depends on the continued support of other Group companies. Poppy Holdco Limited has confirmed its intention to provide such support for at least one year from the date of signing these financial statements

#### **Consolidation**

The financial statements contain information about Poppy Bidco Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary financial statements are included by full consolidation in the consolidated financial statements of its ultimate parent company at 28 January 2012 Poppy Holdings Coöperatief U A, a company registered in the Netherlands

#### **Borrowings**

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise

#### **Derivative financial instruments**

The Company uses derivative financial instruments, interest rate swaps contracts, to manage its exposure to interest rate movements on its borrowings. These derivative financial instruments are not recognised as assets and liabilities on the Company's balance sheet and the gains and losses arising on them are not recognised until the hedged item is itself recognised in the financial statements

#### **Investments**

Investments are capitalised at cost, net of any provision for diminution in value

#### **Interest**

Interest payable and receivable is recognised in the profit and loss account in the period in which it relates

# Poppy Bidco Limited

## Notes to the financial statements (continued) Period ended 28 January 2012

### 1. Accounting policies (continued)

#### Taxation

The tax charge comprises current tax payable and deferred tax

The current tax charge represents an estimate of the amounts payable to tax authorities in respect of the Company's taxable profits and is based on an interpretation of existing tax laws. Deferred tax is provided in respect of all timing differences that have originated but have not been reversed by the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements. Deferred taxation assets are recognised to the extent that it is considered more likely than not that they will be recovered. Deferred tax assets and liabilities are calculated using the tax rates that have been enacted or substantively enacted by the balance sheet date. The Company does not discount deferred tax assets and liabilities.

### 2. Turnover

There is no turnover for Poppy Bidco Limited

### 3. Employee information

Except for the executive directors referred to in note 4 there were no employees of the Company in the period.

### 4. Directors' emoluments

	2012 £'000
Emoluments	923
Pension	48
Other emoluments (including benefits in kind)	45
	<u>1,016</u>

Emoluments include amounts paid to the highest paid director

	2012 £'000
Emoluments	257
Other emoluments (including benefits in kind)	7
	<u>264</u>

The average number of executive directors employed by the Company during the period was 10. The Company is not a trading company and does not make retail sales from stores, concessions or on the internet. The directors are also directors of all the other companies within the Poppy Holdco Group. In 2012 emoluments have been paid to the directors of Poppy Bidco Limited as recorded above and have then been recharged to Phase Eight (Fashion & Designs) Limited.

# **Poppy Bidco Limited**

## **Notes to the financial statements (continued)** **Period ended 28 January 2012**

### **5. Interest receivable and similar income**

	<b>2012</b>
	<b>£'000</b>
Interest receivable on amounts owed by group companies	1,944
	<u>1,944</u>

### **6. Interest payable and similar charges**

	<b>2012</b>
	<b>£'000</b>
Interest payable on bank loans	1,798
Amortisation of deal fees	1,566
Interest payable on amounts owed to group companies	1,684
	<u>5,048</u>

### **7. Tax on profit on ordinary activities**

There is no tax charge in the period

	<b>2012</b>
	<b>£'000</b>
<b>Factors affecting the tax charge in the period</b>	
Loss on ordinary activities before tax	(3,047)
Loss on ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 26.32% (2011: 28%)	(801)
Effects of Group relief for nil consideration	801
Current tax charge for period	<u>-</u>

Legislation reducing the main rate of corporation tax from 28% to 26% with effect from 1 April 2011 was substantively enacted during the period. Accordingly, current tax has been provided for at an effective rate of 26.32% in these financial statements.

In the 2012 Budget, issued on 21 March 2012, the Chancellor announced that the main rate of corporation tax would be further reduced to 24% with effect from 1 April 2012, with further annual 1% rate reductions down to 22% by 1 April 2014. As these future rate reductions had not been enacted at the balance sheet date, they have not been reflected in these financial statements. The effect of these tax rate reductions will be accounted for in the period they are substantively enacted.

# Poppy Bidco Limited

## Notes to the financial statements (continued) Period ended 28 January 2012

### 8. Loss on ordinary activities before tax

Auditors' remuneration of £2,000 was met by Phase Eight (Fashion & Designs) Limited. There were no non-audit fees in the period.

### 9. Fixed Asset Investments

Fixed asset investments represent the investment in the 100% subsidiary company Cameron Topco Limited acquired during the period.

	2012 £'000
Cost and net book value At 21 December 2010	-
Acquisition of share capital in Cameron Topco Limited	85,304
At 28 January 2012	<u>85,304</u>

Each of the investments below is held indirectly as a result of the 100% ownership of issued shares and voting rights in Cameron Topco Limited.

Name of undertaking	Country of incorporation or Registration	Description of shares held	Proportion of nominal value of issued shares held by group and proportions of voting rights
Cameron Topco Limited	England & Wales	Ordinary	100%
Cameron Bidco Limited*	England & Wales	Ordinary	100%
Phase Eight (Fashion & Designs) Limited *	England & Wales	Ordinary	100%
Patsy Seddon Limited *	England & Wales	Ordinary	100%

\* Indirect holding

The principal business activities of these subsidiaries are as follows:

Cameron Topco Limited and Cameron Bidco Limited are holding companies. Phase Eight (Fashion & Designs) Limited designs and retails women's fashion clothing. Patsy Seddon Limited is a dormant company.

### 10. Debtors

	2012 £'000
Amount owed by subsidiary company	41,909
	<u>41,909</u>

# **Poppy Bidco Limited**

## **Notes to the financial statements (continued)** **Period ended 28 January 2012**

### **11. Creditors amounts falling due within one year**

	2012 £'000
Interest payable on bank loans	410
Bank loans	5,250
Finance charges and deal fees	(1,611)
	<u>4,049</u>

### **12. Creditors: amounts falling due after more than one year**

	2012 £'000
Bank Loans	20,250
Amount payable to parent company	11,184
Amount payable to subsidiary company	10,784
Finance charges and deal fees	(1,654)
	<u>40,564</u>

There is no fixed repayment term for the amount owed to the parent and subsidiary companies. Interest payable on the amount owed to group companies has been accrued at 5%. Interest on bank loans is charged at LIBOR plus a margin. No assets are pledged as security for the loans and borrowings.

### **13. Loans and other borrowing**

	2012 £'000
Senior facilities Term loan A	12,750
Senior facilities Term loan B	12,750
Finance charges and Deal Fees	(3,265)
	<u>22,235</u>
<b>Maturity of debt</b>	
In one year or less, or on demand	3,639
In more than one year, but not more than two years	18,596
	<u>22,235</u>

The company uses derivative contracts to hedge its exposure to changes in interest rates on bank loans with a principal amount of £20 million. The fair value at the balance sheet date, based on the market values of equivalent instruments, was a liability of £373,000.

## Poppy Bidco Limited

### Notes to the financial statements (continued) Period ended 28 January 2012

#### 14. Called up share capital

	2012 £'000
<b>Called up, allotted and fully paid</b>	
85,684,396 ordinary shares of £1 each	85,684

856,684,396 ordinary shares of £1 each were issued for consideration of £85,684,396 on 21 December 2010. The full rights accorded to the shareholders are detailed in the articles of association.

#### 15. Profit and loss account

	2012 £'000
At beginning of the period	-
Loss for the financial period	3,047
At period end	3,047

#### 16. Reconciliation of movement in equity shareholders' equity

	2012 £'000
Opening shareholders' equity	-
Share capital issued	85,684
Retained loss for the financial period	(3,047)
Closing shareholders' equity	82,637

#### 17. Cash flow and related party transactions

The Company is a wholly owned subsidiary of Poppy Finco Limited and is included in the consolidated financial statements of Poppy Holdings Coöperatief U A, which are publicly available. Consequently the Company is exempt under the terms of FRS 1 (revised 1996) from publishing a cash flow statement. The Company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Poppy Holdings Coöperatief U A group.

#### 18. Ultimate parent company and ultimate controlling party

The parent company of Poppy Bidco Limited is Poppy Finco Limited and the ultimate parent company and ultimate controlling party is Poppy Holdings Coöperatief U A.

The smallest group where group accounts are prepared is Poppy Holdco Limited, a company incorporated in England and Wales. Requests for copies of these accounts should be made to Phase Eight (Fashion & Designs) Limited, 21 Carnwath Road, London, SW6 3HR.

The largest group where Group accounts are prepared is Poppy Holdings Coöperatief U A, a company incorporated in the Netherlands.