

**Company Registration No. 07474413**

**Poppy Bidco Limited**

**Report and Financial Statements**

**Year ended 1 February 2014**

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# **Poppy Bidco Limited**

## **Report and financial statements 2014**

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# **Poppy Bidco Limited**

## **Report and financial statements 2014**

### **Officers and professional advisers**

#### **Directors**

M Rahamim  
B Barnett  
L Harlow  
J Bremner  
G Chittick  
W Ginsberg  
A Rolfe  
K Saddi  
G Tambling  
I Wallis  
C Jack (appointed 6 January 2014)  
V Dinic (appointed 30 October 2013)  
M Holland (appointed 30 October 2013)

#### **Registered Office**

90 Peterborough Road  
London  
SW6 3HH

#### **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 Auditors  
Four Brindleyplace  
Birmingham  
B1 2HZ

# Poppy Bidco Limited

## Strategic report

The Directors, in preparing the strategic report, have complied with s414C of the Companies Act 2006.

### 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.

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.

Key to the financial success of the business is the availability of sufficient financing to allow the Company to meet its obligations and to enable it to continue to provide funding for its investments to explore new opportunities and to improve existing sites. During the year, the Group put in place a new five year loan facility, which will underpin the Group’s further expansion in the UK and overseas during this extended period.

The economic environment and general consumer sentiment have a significant bearing on the success of the Company’s trading subsidiaries. Furthermore, the Company’s trading subsidiaries are exposed to the market risks associated with the activities and operations of competitors.

The Company has few operational cost pressures due to the nature of its activity i.e. that of a holding company. Care is taken to keep any administrative costs to a minimum, wherever possible.

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.

### 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 before tax of £2,745,000 (2013: loss of £3,073,000) was made in the period.

At 1 February 2014 the Company had net assets of £76,819,000 (2013: £79,564,000).

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’s consolidated accounts, which 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.

# Poppy Bidco Limited

## Directors' report

The Directors present their report and the audited financial statements for the year ended 1 February 2014. The Company's registered number is 07474413.

### Results and dividends

In the year ended 1 February 2014, the result is a retained loss of £2,745,000 (2013: £3,073,000).

The Directors do not recommend the payment of a dividend for the year ended 1 February 2014 and there was no dividend paid or declared during the period (2013: nil)

### 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  
B Barnett  
L Harlow  
J Bremner  
G Chittick  
W Ginsberg  
A Rolfe  
K Saddi  
G Tambling  
I Wallis  
C Jack (appointed 6 January 2014)  
V Dinic (appointed 30 October 2013)  
M Holland (appointed 30 October 2013)

### Going concern

The financial statements have been prepared on a going concern basis which assumes that the Group and Company will continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of this report.

The Group continues to trade strongly despite the difficult economic conditions, generating positive operating cash flows. The Directors therefore consider that it is appropriate to prepare the accounts on a going concern basis based on the cash flow projections they have prepared and their assessment of borrowing facilities available including forecast covenant compliance. In particular, the Directors have taken into account the maturity of borrowing facilities both drawn-down and available, following a refinancing completed by the Group in December 2013 to underpin the Group's further expansion in the UK and overseas. The Group's new loan facility has a five year term and no fixed repayments prior to maturity. The cash flow projections are the sole responsibility of the Directors based on their present plans, expectations and intentions.

# Poppy Bidco Limited

## Directors' report (continued)

### 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 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 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 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
- 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



C Jack  
Director

28 MM 2014

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

We have audited the financial statements of Poppy Bidco Limited for the year ended 1 February 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 17. 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 1 February 2014 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 Strategic Report or 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, United Kingdom

28 May 2014

## Poppy Bidco Limited

### Profit and loss account Year ended 1 February 2014

	Note	2014 £'000	2013 £'000
Administrative expenses		(1,095)	(998)
Other income		1,223	1,082
<b>Net operating profit</b>		128	84
Interest receivable and similar income	4	3,220	2,261
Interest payable and similar charges	5	(6,093)	(5,418)
<b>Loss on ordinary activities before taxation</b>		(2,745)	(3,073)
Tax on loss on ordinary activities	6	-	-
<b>Loss for the financial period</b>	14	(2,745)	(3,073)

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.

There is no difference between the loss on ordinary activities before taxation and loss for the financial period stated above and their historical cost equivalents.



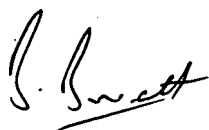
# Poppy Bidco Limited

## Balance sheet 1 February 2014

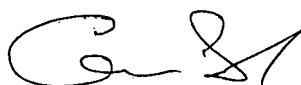
	Note	2014 £'000	2013 £'000
<b>Fixed assets</b>			
Investments	8	85,304	85,304
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	9	107,333	38,009
Cash and cash equivalents		6	4
<b>Creditors: amounts falling due within one year</b>	10	(511)	(7,442)
<b>Net current assets</b>		106,828	30,571
<b>Total assets less current liabilities</b>		192,132	115,875
<b>Creditors: amounts falling due after more than one year</b>	11	(115,313)	(36,311)
<b>Net assets</b>		76,819	79,564
<b>Capital and reserves</b>			
Called up share capital	13	85,684	85,684
Profit and loss account	14	(8,865)	(6,120)
<b>Total shareholders' funds</b>	15	76,819	79,564

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 28 May 2014 and were signed on its behalf by:



B Barnett  
Director



C Jack  
Director

# Poppy Bidco Limited

## Notes to the financial statements Year ended 1 February 2014

### 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 1 February 2014, 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 2014.

#### Going concern

The financial statements have been prepared on a going concern basis which assumes that the Group and Company will continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of this report.

The Group continues to trade strongly despite the difficult economic conditions, generating positive operating cash flows. The Directors therefore consider that it is appropriate to prepare the accounts on a going concern basis based on the cash flow projections they have prepared and their assessment of borrowing facilities available including forecast covenant compliance. In particular, the Directors have taken into account the maturity of borrowing facilities both drawn-down and available, following a refinancing completed by the Group in December 2013 to underpin the Group's further expansion in the UK and overseas. The Group's new loan facility has a five year term and no fixed repayments prior to maturity. The cash flow projections are the sole responsibility of the Directors based on their present plans, expectations and intentions.

#### 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 1 February 2014 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, including 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.

# Poppy Bidco Limited

## Notes to the financial statements (continued) Year ended 1 February 2014

### 1. Accounting policies (continued)

#### Interest

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

#### 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. Employee information

Except for the executive Directors referred to in note 3 there were no employees of the Company in the period.

### 3. Directors' emoluments

	2014 £'000	2013 £'000
Emoluments	968	884
Pension contributions	56	55
Other emoluments (including benefits in kind)	53	52
	<u>1,077</u>	<u>991</u>

Emoluments include the following amounts paid to the highest paid Director:

#### Highest paid Director

	2014 £'000	2013 £'000
Emoluments	208	208
Other emoluments (including benefits in kind)	9	8
	<u>217</u>	<u>216</u>

The Company had no employees during the period, save for the executive Directors.

# Poppy Bidco Limited

## Notes to the financial statements (continued) Year ended 1 February 2014

### 4. Interest receivable and similar income

	2014 £'000	2013 £'000
Interest receivable on amounts owed by group companies	3,220	2,261
	<u>3,220</u>	<u>2,261</u>

### 5. Interest payable and similar charges

	2014 £'000	2013 £'000
Interest payable on bank loans	1,660	1,408
Amortisation of deal fees	1,675	1,645
Interest payable on amounts owed to group companies	2,758	2,365
	<u>6,093</u>	<u>5,418</u>

### 6. Tax on loss on ordinary activities

There is no tax charge in the year.

#### Factors affecting the tax charge in the period

	2014 £'000	2013 £'000
Loss on ordinary activities before tax	(2,745)	(3,073)
Loss on ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 23.16% (2013: 24.33%)	(636)	(748)
Effects of:		
Group relief for nil consideration	636	748
Current tax charge for period	<u>-</u>	<u>-</u>

The main rate of UK corporation tax was reduced to 24% with effect from 1 April 2012, with a further reduction to 23% taking effect on 1 April 2013. Accordingly, current tax has been provided for at an effective rate of 23.16%, (2013: 24.33%) in these financial statements.

### 7. Loss on ordinary activities before tax

Auditors' remuneration of £2,000 (2013: £2,000) was met by Phase Eight (Fashion & Designs) Limited. £160,000 of non audit fees were incurred by the Company in the period, payable to the Company's auditor, in respect of the refinancing completed by the Group in December 2013.

Other income relates to management fees charged to Phase Eight (Fashion & Designs) Limited.

# Poppy Bidco Limited

## Notes to the financial statements (continued) Year ended 1 February 2014

### 8. Fixed asset investments

Fixed asset investments represent the investment in the 100% subsidiary company Cameron Topco Limited, which was acquired on 7 February 2011.

	2014 £'000	2013 £'000
<b>Cost and net book value</b>		
At 2 February 2013 and 1 February 2014	85,304	85,304

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%
Phase Eight (Germany) Limited*	England & Wales	Ordinary	80%
Phase Eight (Sweden) Limited*	England & Wales	Ordinary	80%
Phase Eight Switzerland AG*	Switzerland	Ordinary	50%
Phase Eight (UAE) Limited*	England & Wales	Ordinary	100%
Phase Eight (Deutschland) Limited*	England & Wales	Ordinary	80%
Phase Eight (Singapore) Limited*	England & Wales	Ordinary	100%
Phase Eight (Australia) Pty Limited*	Australia	Ordinary	100%
Phase Eight (Belgium) Limited*	England & Wales	Ordinary	100%
Phase Eight (Europe) Limited*	England & Wales	Ordinary	80%
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. Phase Eight (Germany) Limited, Phase Eight (Sweden) Limited, Phase Eight Switzerland AG, Phase Eight (UAE) Limited, Phase Eight (Deutschland) Limited, Phase Eight (Singapore) Limited, Phase Eight (Australia) Pty Limited, Phase Eight (Belgium) Limited and Phase Eight (Europe) Limited retail women's fashion clothing. Patsy Seddon Limited is a dormant company.

# Poppy Bidco Limited

## Notes to the financial statements (continued) Year ended 1 February 2014

### 9. Debtors

	2014 £'000	2013 £'000
<b>Amounts falling due after more than one year:</b>		
Amounts owed by parent companies	67,385	-
Amounts owed by other group undertakings	39,948	38,009
	<u>107,333</u>	<u>38,009</u>

There is no fixed repayment term for the amounts owed by parent companies and other group undertakings, which are unsecured. Interest payable on the amounts owed by group undertakings has been accrued at rates of between 0% and 12% depending on the nature of the debt.

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

	2014 £'000	2013 £'000
Interest payable on bank loans	766	7
Bank loans	-	7,987
Finance charges and deal fees	(255)	(552)
	<u>511</u>	<u>7,442</u>

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

	2014 £'000	2013 £'000
Bank loans	82,000	13,195
Amounts payable to parent companies	-	6,839
Amounts payable to other group undertakings	34,062	17,380
Finance charges and deal fees	(749)	(1,103)
	<u>115,313</u>	<u>36,311</u>

There is no fixed repayment term for the amounts owed to parent companies and other group undertakings, which are unsecured. Interest payable on the amounts owed to group undertakings has been accrued at rates of between 0% and 12% depending on the nature of the debt. Interest on bank loans is payable quarterly using a floating interest rate based on LIBOR plus a margin of 6.75%.

No assets are pledged as security for the intra-group loans and borrowings. Bank loans are secured on the assets of the Company and other Group undertakings.

# Poppy Bidco Limited

## Notes to the financial statements (continued) Year ended 1 February 2014

### 12. Loans and other borrowing

	2014 £'000	2013 £'000
Senior facilities: Term loan A	-	10,591
Senior facilities: Term loan B	-	10,591
Unitranche Facility	82,000	-
Finance charges and deal fees	(1,004)	(1,655)
	<u>80,996</u>	<u>19,527</u>

#### Maturity of debt

	2014 £'000	2013 £'000
In one year or less, or on demand	-	7,986
In more than one year, but not more than two years	-	6,250
In more than two years	82,000	6,946
Finance charges and deal fees	(1,004)	(1,655)
	<u>80,996</u>	<u>19,527</u>

The Company uses derivative contracts to hedge its exposure to changes in interest rates on bank loans with a principal amount of £54.7million (2013: £13.5 million). The fair value at the balance sheet date, based on the market values of equivalent instruments, was an asset of £123,000 (2013: a liability of £217,000).

### 13. Called up share capital

	2014 £'000	2013 £'000
<b>Called up, allotted and fully paid</b>		
85,684,396 ordinary shares of £1 each	<u>85,684</u>	<u>85,684</u>

The full rights accorded to the shareholders are detailed in the articles of association.

### 14. Profit and loss account

	2014 £'000	2013 £'000
Deficit at beginning of the period	6,120	3,047
Loss for the financial period	<u>2,745</u>	<u>3,073</u>
Deficit at period end	<u>8,865</u>	<u>6,120</u>

# Poppy Bidco Limited

## Notes to the financial statements (continued) Year ended 1 February 2014

### 15. Reconciliation of movement in equity shareholders' funds

	2014 £'000	2013 £'000
Opening shareholders' funds	79,564	82,637
Retained loss for the financial period	(2,745)	(3,073)
Closing shareholders' funds	<u>76,819</u>	<u>79,564</u>

### 16. 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. and Poppy Holdco Limited, 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.

### 17. 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, 90 Peterborough Road, London SW6 3HH.

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