

**REGISTRAR  
OF COMPANIES**

**STELLA & DOT UK-IRELAND LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

WEDNESDAY



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30/09/2015

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**STELLA & DOT UK-IRELAND LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

J Herrin  
M Lohner  
A Willis  
K Mitchell

**REGISTERED NUMBER**

07654350

**REGISTERED OFFICE**

Broadway Studios  
Hammersmith  
London  
W6 7AF

**INDEPENDENT AUDITOR**

MHA MacIntyre Hudson  
Chartered Accountants  
New Bridge Street House  
30-34 New Bridge Street  
London  
EC4V 6BJ

**BANKERS**

Bank of America  
London  
EC1A 1HQ

HSBC Bank Plc  
London  
EC4N 4TR

**SOLICITORS**

Reed Smith LLP  
The Broadgate Tower  
20 Primrose Street  
London  
EC2A 2RS

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## **STELLA & DOT UK-IRELAND LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

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The directors present their report and the financial statements for the year ended 31 December 2014.

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that 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;
- 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.

#### **PRINCIPAL ACTIVITIES**

The company is a wholly owned subsidiary of Stella & Dot EMEA Cooperatief U.A., a company incorporated in The Netherlands. The company operates as a service company to its parent company, providing marketing, customer service and sales support.

#### **DIRECTORS**

The directors who served during the year were:

J Herrin  
M Lohner  
A Willis  
K Mitchell

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**STELLA & DOT UK-IRELAND LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**AUDITOR**

On 2 March 2015 Ernst & Young LLP resigned as auditors and MHA MacIntyre Hudson were appointed.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on

30.9.15

and signed on its behalf.



**A Willis**  
Director

30-9-2015

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## **STELLA & DOT UK-IRELAND LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF STELLA & DOT UK-IRELAND LIMITED**

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We have audited the financial statements of Stella & Dot UK-Ireland Limited for the year ended 31 December 2014, which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 Directors' 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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF STELLA & DOT UK-IRELAND LIMITED

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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 to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.



Howard Lewis FCA (Senior statutory auditor)

for and on behalf of  
**MHA MacIntyre Hudson**

Chartered Accountants

New Bridge Street House  
30-34 New Bridge Street  
London  
EC4V 6BJ

Date: 30.9.15

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**STELLA & DOT UK-IRELAND LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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	Note	2014 £	2013 £
<b>TURNOVER</b>	1,2	<b>2,543,929</b>	2,635,750
Distribution costs		<b>(2,098,804)</b>	(2,028,259)
Administrative expenses		<b>(427,033)</b>	(487,186)
Other operating income	3	<b>47,655</b>	48,145
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>65,747</b>	168,450
Tax on profit on ordinary activities	6	<b>(45,061)</b>	(37,018)
		<hr/>	<hr/>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	12	<b>20,686</b>	131,432
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 7 to 13 form part of these financial statements.

**STELLA & DOT UK-IRELAND LIMITED**  
**REGISTERED NUMBER: 07654350**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2014**

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Tangible assets	7		33,623		88,244
<b>CURRENT ASSETS</b>					
Debtors	8	493,000		103,538	
Cash at bank and in hand		176,792		838,053	
		<u>669,792</u>		<u>941,591</u>	
<b>CREDITORS: amounts falling due within one year</b>	9	<u>(374,988)</u>		<u>(720,170)</u>	
<b>NET CURRENT ASSETS</b>			<u>294,804</u>		<u>221,421</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>328,427</u>		<u>309,665</u>
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	10		<u>(2,618)</u>		<u>(4,542)</u>
<b>NET ASSETS</b>			<u><u>325,809</u></u>		<u><u>305,123</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		1		1
Profit and loss account	12		<u>325,808</u>		<u>305,122</u>
<b>SHAREHOLDERS' FUNDS</b>			<u><u>325,809</u></u>		<u><u>305,123</u></u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

30-9-15

A Willis  
 Director



30-9-15

The notes on pages 7 to 13 form part of these financial statements.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

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) ("the FRSSE").

**1.2 Cash flow statement**

The company is a wholly owned subsidiary of Stella & Dot EMEA Cooperatief U.A., and is included in the financial statements of Stella & Dot EMEA Cooperatief U.A., which can be obtained from the company secretary at 1111 Bayhill Drive, Ste 375, San Bruno, CA 94066, United States of America. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement given by the FRSSE.

**1.3 Turnover**

Turnover comprises revenue recognised on an accruals basis and arises from the recharge to group companies of expenses incurred at cost plus 6%, exclusive of Value Added Tax.

**1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	-	straight line over 5 years
Computer equipment	-	straight line over 3 years
Assets under construction	-	no depreciation charged

**1.5 Operating leases**

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**1.6 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

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1. ACCOUNTING POLICIES (continued)

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.9 Related party transactions

The company is exempt under the FRSSSE from disclosing related party transactions with entities that are part of the Stella & Dot LLC group. Related party transactions which do not fall under this exemption, if any, are disclosed in the financial statements in note 15.

2. TURNOVER

100.0% of the company's turnover (2013 - 100.0%) is attributable to geographical markets outside the United Kingdom.

Turnover in respect of the year ended 31 December 2013 was overstated by £51,033 and this has been adjusted in the turnover for the year ended 31 December 2014.

3. OTHER OPERATING INCOME

	2014	2013
	£	£
Other operating income	47,655	48,145

During the year, the company sponsored events exclusively for stylists. Other operating income represents the proceeds from ticket sales for these events.

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit is stated after charging:

	2014	2013
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	13,893	24,443
Pension costs	43,574	37,526

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

5. DIRECTORS' REMUNERATION

	2014 £	2013 £
Aggregate remuneration	<u>358,582</u>	<u>413,047</u>

Two directors are employed by the (non-UK) ultimate parent company, receiving no remuneration from Stella & Dot UK-Ireland Limited. The emoluments of these directors are paid by the ultimate parent company. The services of these directors are of a non executive nature and their emoluments are deemed to be wholly attributable to their services to the parent company. Accordingly, the above details include no emoluments in respect of these directors.

Aggregate remuneration includes contributions to the company's money purchase pension scheme. Benefits were accruing under the scheme to two directors (2013: two directors) during the year.

6. TAXATION

	2014 £	2013 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b>		
UK corporation tax charge on profit for the year	16,898	30,735
Adjustments in respect of prior periods	30,087	(2,605)
<b>Total current tax</b>	<u>46,985</u>	<u>28,130</u>
<b>Deferred tax (see note 10)</b>		
Origination and reversal of timing differences	(1,924)	8,888
<b>Tax on profit on ordinary activities</b>	<u>45,061</u>	<u>37,018</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**6. TAXATION (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2013 - lower than) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>65,747</u>	<u>168,450</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	14,136	39,165
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,150	1,241
Capital allowances for year in excess of depreciation	2,018	(9,671)
Adjustments to tax charge in respect of prior periods	30,087	(2,605)
Marginal relief	(406)	-
<b>Current tax charge for the year (see note above)</b>	<u><u>46,985</u></u>	<u><u>28,130</u></u>

**Factors that may affect future tax charges**

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. In the budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Office equipment £	Other fixed assets £	Total £
<b>Cost</b>				
At 1 January 2014	74,109	37,879	8,811	120,799
Disposals	(4,643)	(37,879)	(8,811)	(51,333)
At 31 December 2014	69,466	-	-	69,466
<b>Depreciation</b>				
At 1 January 2014	23,417	9,138	-	32,555
Charge for the year	13,893	-	-	13,893
On disposals	(1,467)	(9,138)	-	(10,605)
At 31 December 2014	35,843	-	-	35,843
<b>Net book value</b>				
At 31 December 2014	33,623	-	-	33,623
At 31 December 2013	50,692	28,741	8,811	88,244

8. DEBTORS

	2014 £	2013 £
Trade debtors	13,162	-
Amounts owed by group undertakings	397,808	-
VAT recoverable	7,659	29,646
Other debtors	74,371	73,892
	493,000	103,538

9. CREDITORS:  
Amounts falling due within one year

	2014 £	2013 £
Trade creditors	42,867	17,520
Amounts owed to group undertakings	-	488,679
Corporation tax	16,898	30,735
Accrued payroll and other taxation and social security	206,103	142,824
Other creditors	109,120	40,412
	374,988	720,170

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**STELLA & DOT UK-IRELAND LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**10. DEFERRED TAXATION**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
At beginning of year	<b>4,542</b>	<b>(4,346)</b>
(Released during)/charge for year (P&L)	<b>(1,924)</b>	<b>8,888</b>
At end of year	<b>2,618</b>	<b>4,542</b>

The provision for deferred taxation is made up as follows:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	<b>2,618</b>	<b>4,542</b>

**11. SHARE CAPITAL**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Allotted, called up and fully paid		
1 Ordinary share of £1	<b>1</b>	<b>1</b>

**12. RESERVES**

	<b>Profit and loss account £</b>
At 1 January 2014	<b>305,122</b>
Profit for the financial year	<b>20,686</b>
At 31 December 2014	<b>325,808</b>

**13. PENSION COMMITMENTS**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £43,574 (2013: £37,526). No contributions were outstanding at either the current or the prior period date.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

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**14. OPERATING LEASE COMMITMENTS**

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
<b>Expiry date:</b>		
Within 1 year	894	-
Between 2 and 5 years	84,713	68,000

**15. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption conferred by the FRSE from disclosing related party transactions with entities whose results are included in the consolidated financial statements of Stella & Dot LLC.

There were no other related party transactions which are required to be disclosed in the financial statements.

**16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The immediate parent undertaking of the company is Stella & Dot EMEA Cooperatief U.A., a company registered in The Netherlands. The ultimate parent undertaking and controlling party is Stella & Dot LLC., a California Limited Liability Company, registered in the United States of America.

Stella & Dot LLC is the parent undertaking of the largest group of undertakings to consolidate these financial statements. Copies of these consolidated financial statements can be obtained from the company secretary at 1111 Bayhill Drive, Ste 375, San Bruno, CA 94066, United States of America.

Stella & Dot EMEA Cooperatief U.A. is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. Copies of these consolidated financial statements can be obtained from the same address.