

# FD Europe Limited

Registered number: 11335227

## Annual Report

For the period 28 April to 31 December 2018



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**FD EUROPE LIMITED**

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**COMPANY INFORMATION**

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**Directors**

M D Clark  
J B Grede  
J Howard  
H I Soroca  
F T Unkan Haiman  
A N Rosen  
E J Torstensson

**Registered number**

11335227

**Registered office**

Stephen Building  
30 Gresse Street  
London  
W1T 1QR

**Independent auditor**

Mazars LLP  
Chartered Accountants & Statutory Auditor  
Tower Bridge House  
St Katharine's Way  
London  
E1W 1DD

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**FD EUROPE LIMITED**

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**FD EUROPE LIMITED**

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**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

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The directors present their report and the audited financial statements for the period 28 April 2018 to 31 December 2018.

**Principal activity**

The company's principal activity during the period was the provision of advertising, fashion marketing, sales agency, public relations support and administrative services to Frame LA.

The company was incorporated on 28 April 2018.

On 24 April 2019 the company changed its accounting reference date from 30 April 2019 to 31 December 2018.

**Results and dividends**

The profit for the period, after taxation, amounted to £47,834.

The directors do not recommend the payment of a dividend.

**Directors**

The directors who served during the period and up to the date of this report were:

M D Clark (appointed 7 September 2018)  
J B Grede (appointed 28 April 2018)  
J Howard (appointed 7 September 2018)  
H I Soroca (appointed 7 September 2018)  
F T Unkan Haiman (appointed 28 April 2018)  
A N Rosen (appointed 7 September 2018)  
E J Torstensson (appointed 28 April 2018)

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**FD EUROPE LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

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**Directors' responsibilities statement**

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

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the audited 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 audited financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the audited 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 to enable them to ensure that the audited 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.

**Qualifying third party indemnity provisions**

The Company has indemnified the directors and officers in respect of proceedings which may be brought by third parties and such indemnification was in place throughout the year, which is a qualifying third party indemnity for the purposes of the Companies Act 2006. Neither the Company's indemnity nor insurance provides cover in the event that a director or officer is proved to have acted fraudulently or dishonestly.

**United Kingdom resignation from the European Union**

Due to the invocation of Article 50 of the Treaty on European Union by the United Kingdom, it is expected that the country may resign its position within the European Union during 2019. The terms of the future relationship between the UK and the EU are still unknown, at the date of this report it is impossible to assess in detail the opportunities and threats that such a resignation could present. The directors are managing these risk by closely monitoring developments, and are confident that the company will be able to amend and modify its procedures to remain fully compliant with any new rules or regulations, and to maintain its standing and reputation in the marketplace both locally and, where appropriate, throughout Europe and worldwide.

**Going Concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that lead to significant doubt upon the company's ability to continue as a going concern. Thus the directors have continued to adopt the going concern basis of accounting in preparing these financial statements. After a review of the forecasts for the coming twelve months from the date of signing the financial statements, the directors believe that the company will have sufficient funds in order to meet liabilities as they fall due.

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**FD EUROPE LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

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**Provision 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 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 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.

**Post balance sheet events**

There have been no significant events affecting the Company since the period end.

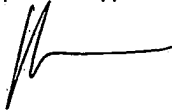
**Auditor**

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**Small companies note**

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 and signed on its behalf.



**J B Grede**  
Director

Date: 25/9/19

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**FD EUROPE LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FD EUROPE LIMITED**

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**Opinion**

We have audited the financial statements of FD Europe Limited (the 'Company') for the period ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit 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.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**The impact of uncertainties due to Britain exiting the European Union on our audit**

The Directors' view on the impact of Brexit is disclosed on page 2.

The terms on which the United Kingdom may withdraw from the European Union, are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Company and this is particularly the case in relation to Brexit.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FD EUROPE LIMITED**

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**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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; and
- 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 and from the requirement to prepare a Strategic Report.



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**FD EUROPE LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FD EUROPE LIMITED**

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**Responsibilities of Directors**

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of the audit report**

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.



Samantha Russell (Senior statutory auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor  
Tower Bridge House  
St Katharine's Way  
London  
E1W 1DD

Date: 30 September 2019

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**FD EUROPE LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

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|  | Note     | Period<br>ended<br>31<br>December<br>2018<br>£ |
|--|----------|--|
| Turnover   |          | 941,449  |
| Cost of sales                                    |          | (83,088)                                       |
| <b>Gross profit</b>                              |          | <b>858,361</b>                                 |
| Administrative expenses                          |          | (797,593)                                      |
| <b>Operating profit</b>                          | <b>4</b> | <b>60,768</b>                                  |
| Tax on profit                                    | <b>8</b> | (12,934)                                       |
| <b>Profit for the financial period</b>           |          | <b>47,834</b>                                  |
| Other comprehensive income                       |          | -  |
| <b>Total comprehensive income for the period</b> |          | <b>47,834</b>                                  |

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 10 to 22 form part of these financial statements.

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FD EUROPE LIMITED  
REGISTERED NUMBER: 11335227

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**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018**

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|   | Note | 2018<br>£            |
|---|------|----------------------|
| <b>Fixed assets</b>                                   |      |                      |
| Tangible assets                                       | 9    | 104,057              |
|   |      | <u>104,057</u>       |
| <b>Current assets</b>                                 |      |                      |
| Debtors: amounts falling due after more than one year | 10   | 37,500               |
| Debtors: amounts falling due within one year          | 10   | 148,123              |
| Cash at bank and in hand                              | 11   | 68,923               |
|   |      | <u>254,546</u>       |
| Creditors: amounts falling due within one year        | 12   | (304,946)            |
|   |      | <u>(50,400)</u>      |
| <b>Net current liabilities</b>                        |      |                      |
| <b>Provisions for liabilities</b>                     |      |                      |
| Deferred tax  | 13   | (5,723)              |
|   |      | <u>(5,723)</u>       |
| <b>Net assets</b>                                     |      | <u><u>47,934</u></u> |
| <b>Capital and reserves</b>                           |      |                      |
| Called up share capital                               | 14   | 100                  |
| Profit and loss account                               | 15   | 47,834               |
|   |      | <u>47,934</u>        |
| <b>Total equity</b>                                   |      | <u><u>47,934</u></u> |

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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



**J B Grede**  
Director

Date: 25/9/19

The notes on pages 10 to 22 form part of these financial statements.

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**FD EUROPE LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

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|  | <b>Called up<br/>share capital</b> | <b>Profit and<br/>loss account</b> | <b>Total equity</b> |
|--|------------------------------------|------------------------------------|---------------------|
|  | <b>£</b>                           | <b>£</b>                           | <b>£</b>            |
| At 28 April 2018                                 | -                                  | -                                  | -                   |
| <b>Comprehensive income for the period</b>       |                                    |                                    |                     |
| Profit for the period                            | -                                  | 47,834                             | 47,834              |
|  | <hr/>                              | <hr/>                              | <hr/>               |
| <b>Other comprehensive income for the period</b> | -                                  | -                                  | -                   |
|  | <hr/>                              | <hr/>                              | <hr/>               |
| <b>Total comprehensive income for the period</b> | -                                  | 47,834                             | 47,834              |
| Shares issued during the period                  | 100                                | -                                  | 100                 |
|  | <hr/>                              | <hr/>                              | <hr/>               |
| <b>Total transactions with owners</b>            | 100                                | -                                  | 100                 |
|  | <hr/>                              | <hr/>                              | <hr/>               |
| <b>At 31 December 2018</b>                       | <b>100</b>                         | <b>47,834</b>                      | <b>47,934</b>       |

The notes on pages 10 to 22 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

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**1. General information**

FD Europe Limited is a private company, limited by shares, incorporated in England & Wales. The registered office is Stephen Building, 30 Gresse Street, London, England W1T 1QR (registered number 11335227).

The company's principal activity during the period was the provision of advertising, fashion marketing, sales agency, public relations support and administrative services to Frame LA.

The company was incorporated on 28 April 2018.

On 24 April 2019 the company changed its accounting reference date from 30 April 2019 to 31 December 2018.

These financial statements have been presented in Pounds Sterling and rounded to the nearest pound as this is the company's functional currency, being the currency of the primary economic environment in which the company operates.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that lead to significant doubt upon the company's ability to continue as a going concern. Thus the directors have continued to adopt the going concern basis of accounting in preparing these financial statements. After a review of the forecasts for the coming twelve months from the date of signing the financial statements, the directors believe that the company will have sufficient funds in order to meet liabilities as they fall due.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

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**2. Accounting policies (continued)**

**2.3 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'administrative expenses'.

**2.4 Revenue**

Revenues from service agreements are generally recognised at the time the service is delivered, provided that persuasive evidence of an arrangement exists, the sales price is fixed or determinable, and collection of the related receivable is reasonably assured.

**2.5 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income 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 lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

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**2. Accounting policies (continued)**

**2.6 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**2.7 Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

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**2. Accounting policies (continued)**

**2.8 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

|                        |                             |
|------------------------|-----------------------------|
| Leasehold Improvements | - 2.5 years (life of lease) |
| Fixtures and fittings  | - 3 years                   |
| Computer equipment     | - 3 years                   |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

**2.9 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.10 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.11 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

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**2. Accounting policies (continued)**

**2.12 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

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**2. Accounting policies (continued)**

**2.13 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future period.

There are no key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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**FD EUROPE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

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**4. Operating profit**

The operating profit is stated after charging:

|                               | Period<br>ended<br>31<br>December<br>2018<br>£ |
|-------------------------------|--|
| Depreciation                  | 17,261   |
| Exchange differences          | 4  |
| Other operating lease rentals | 125,456  |
|                               | <u>125,456</u>                                 |

**5. Auditor's remuneration**

|  | Period<br>ended<br>31<br>December<br>2018<br>£ |
|--|--|
| Fees payable to the Company's auditor for the audit of the Company's annual financial statements | 9,500  |
|  | <u>9,500</u>                                   |

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

**6. Employees**

|                       | 2018<br>£      |
|-----------------------|----------------|
| Wages and salaries    | 469,432        |
| Social security costs | 50,182         |
| Pension               | 9,954          |
|                       | <u>529,568</u> |

The average number of employees including directors during the year was 21.

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**FD EUROPE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

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**7. Directors' remuneration**

|                       | <b>Period<br/>ended<br/>31<br/>December<br/>2018<br/>£</b> |
|-----------------------|--|
| Directors' emoluments | 102,073  |
|                       | <u>102,073</u>   |

Certain directors of the company are remunerated by another entity within the group, FD London Limited, as they are also directors of that entity. There is no allocation of their remuneration to the company for their services to the company. Their remuneration is disclosed within the FD London Limited financial statements.

**Key management**

Key management of the company are considered to be the directors of the company.

**8. Taxation**

|  | <b>Period<br/>ended<br/>31<br/>December<br/>2018<br/>£</b> |
|--|--|
| <b>Corporation tax</b>                           |  |
| Current tax on profits for the period            | 7,211  |
| <b>Total current tax</b>                         | <u>7,211</u>   |
| <b>Deferred tax</b>                              |  |
| Origination and reversal of timing differences   | 5,723  |
| <b>Total deferred tax</b>                        | <u>5,723</u>   |
| <b>Taxation on profit on ordinary activities</b> | <u>12,934</u>  |

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**NOTES TO THE FINANCIAL STATEMENTS  
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**8. Taxation (continued)****Factors affecting tax charge for the period**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

|   | <b>Period<br/>ended<br/>31<br/>December<br/>2018<br/>£</b> |
|---|--|
| Profit on ordinary activities before tax  | 60,768   |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% | 11,546   |
| <b>Effects of:</b>  |  |
| Fixed asset differences   | 1,805  |
| Expenses not deductible for tax purposes  | 256  |
| Adjust closing deferred tax to average rate of 19.00%   | (673)  |
| <b>Total tax charge for the period</b>  | <b>12,934</b>  |

**Factors that may affect future tax charges**

A reduction in the UK corporation tax rate from 19% to 17% from 1 April 2020, was substantively enacted in September 2016. Deferred tax balances at the reporting date are measured at 17%.

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**FD EUROPE LIMITED**

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**9. Tangible fixed assets**

|                         | Leasehold<br>Improvements<br>£ | Fixtures and<br>fittings<br>£ | Computer<br>equipment<br>£ | Total<br>£ |
|-------------------------|--------------------------------|-------------------------------|----------------------------|------------|
| <b>Cost</b>             |                                |                               |                            |            |
| At 28 April 2018        | -                              | -                             | -                          | -          |
| Additions               | 52,368                         | 32,529                        | 17,293                     | 102,190    |
| Transfer from FD London | 13,171                         | 4,452                         | 1,505                      | 19,128     |
| At 31 December 2018     | 65,539                         | 36,981                        | 18,798                     | 121,318    |
| <b>Depreciation</b>     |                                |                               |                            |            |
| At 28 April 2018        | -                              | -                             | -                          | -          |
| Charge for the period   | 9,500                          | 4,643                         | 3,118                      | 17,261     |
| At 31 December 2018     | 9,500                          | 4,643                         | 3,118                      | 17,261     |
| <b>Net book value</b>   |                                |                               |                            |            |
| At 31 December 2018     | 56,039                         | 32,338                        | 15,680                     | 104,057    |

On 1 June 2018 FD London Limited and FD Europe Limited entered into an agreement to transfer tangible assets from FD London Limited at net book value for £19,128 cash.

**10. Debtors**

|                                     | 2018<br>£ |
|-------------------------------------|-----------|
| <b>Due after more than one year</b> |           |
| Rent deposit                        | 37,500    |
|                                     | 37,500    |

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

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**10. Debtors (continued)**

|                                    | <b>2018<br/>£</b>   |
|------------------------------------|---------------------|
| <b>Due within one year</b>         |                     |
| Trade debtors                      | 4,499               |
| Amounts owed by group undertakings | 39,198              |
| Other debtors                      | 21,974              |
| Prepayments and accrued income     | 82,452              |
|                                    | <hr/> 148,123 <hr/> |

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

**11. Cash and cash equivalents**

|                          | <b>2018<br/>£</b>  |
|--------------------------|--------------------|
| Cash at bank and in hand | 68,923             |
|                          | <hr/> 68,923 <hr/> |

**12. Creditors: Amounts falling due within one year**

|                                    | <b>2018<br/>£</b>   |
|------------------------------------|---------------------|
| Trade creditors                    | 27,356              |
| Amounts owed to group undertakings | 188,484             |
| Corporation tax                    | 7,211               |
| Other taxation and social security | 35,403              |
| Other creditors                    | 5,947               |
| Accruals and deferred income       | 40,545              |
|                                    | <hr/> 304,946 <hr/> |

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

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**FD EUROPE LIMITED**

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**13. Deferred taxation**

|                           | <b>2018<br/>£</b>     |
|---------------------------|-----------------------|
| Charged to profit or loss | (5,723)               |
| <b>At end of year</b>     | <u><u>(5,723)</u></u> |

The deferred taxation balance is made up as follows:

|                                | <b>2018<br/>£</b>     |
|--------------------------------|-----------------------|
| Accelerated capital allowances | (5,723)               |
|                                | <u><u>(5,723)</u></u> |

**14. Share capital**

|  | <b>2018<br/>£</b> |
|--|-------------------|
| <b>Allotted, called up and unpaid</b>      |                   |
| 1,000 Ordinary shares shares of £0.10 each | <u><u>100</u></u> |

The company has one class of ordinary shares; each share carries one voting right per share but no right to fixed income.

On 28 April 2018, the company issued 1,000 ordinary shares at par value.

**15. Reserves****Profit and loss account**

This reserve represents the cumulative profit of the company.

**16. Pension commitments**

The company operates a defined contribution pension plan for its employees. The assets of the scheme are held separately from those of the company in an independent administered fund. The pension cost charged represents contributions payable by the company to the scheme and amounted to £9,954. Contributions amounting to £5,947 had been prepaid at the reporting date and included within creditors.



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**17. Commitments under operating leases**

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

|  | <b>2018<br/>£</b>   |
|--|---------------------|
| Not later than 1 year                        | 230,000             |
| Later than 1 year and not later than 5 years | 230,000             |
|  | <hr/> 460,000 <hr/> |

**18. Related party transactions**

At 31 December 2018 an amount of £20,951 was due from Saturday Brand Holdings Limited, a company with common directors to the Company.

During the year the Company made purchases from FD London Limited, the ultimate parent company of the Company, of £19,128 for the trade and assets of FD London Limited. At 31 December 2018 an amount of £77,075 was owed to FD London Limited by the Company.

During the year the Company made sales to Good American LLC, a company with common directors, of £4,499. At 31 December 2018 an amount of £4,499 was due from Good American LLC to the Company.

During the year the Company made sales to Frame LA LLC, the immediate parent company of the Company, of £936,949. At year end an amount of £93,162 was owed to Frame LA LLC by the Company.

**19. Post balance sheet events**

There have been no significant events affecting the company since the period end.

**20. Controlling party**

The immediate parent company is Frame LA LLC, a company incorporated in the United States.

The ultimate parent company and group in which the results of the company are consolidated is that headed by FD London Limited. The consolidated financial statements of FD London Limited are publicly available and may be obtained from Stephen Building, 30 Gresse Street, London, England W1T 1QR.