

# **FD Europe Limited**

Registered number: 11335227

## **Annual Report**

**For the year ended 31 December 2019**

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**FD EUROPE LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	M D Clark J B Grede J Howard H I Soroca F T Unkan Haiman A N Rosen E J Torstensson
<b>Registered number</b>	11335227
<b>Registered office</b>	Stephen Building 30 Gresse Street London W1T 1QR
<b>Independent auditor</b>	Mazars LLP Chartered Accountants & Statutory Auditor Tower Bridge House St Katharine's Way London E1W 1DD

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present their report and the audited financial statements for FD Europe Limited (the 'Company') for the year ended 31 December 2019.

**Principal activity**

The company's principal activity during the year was the provision of advertising, fashion marketing, sales agency, public relations support and administrative services to fellow group company, Frame LA Brands LLC, a company incorporated in the USA.

Prior year comparatives are from 28 April 2018 to 31 December 2018. This is the first full year in which the company is operating.

**Results and dividends**

The profit for the year ended, after taxation, amounted to £161,295 (2018: £47,834).

The directors do not recommend the payment of a dividend (2018: £nil).

**Directors**

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

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

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

**The withdrawal of the United Kingdom from the European Union**

The United Kingdom withdrew from the European Union on 31 January 2020 and entered into an Implementation Period which is scheduled to end on 31 December 2020. During this period, the trading relationship between the UK and the EU is expected to remain unchanged, however the terms of the future relationship between the UK and the EU from 1 January 2021 onwards are still unknown. At the date of this report it is therefore impossible to assess in detail the opportunities and threats that this future relationship could present. The directors are managing these risks 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 future rules and regulations, and to maintain its standing and reputation in the marketplace throughout Europe and worldwide.

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**COVID-19**

The impact of the Coronavirus outbreak is yet not clear and at the date of this report it is not possible to evaluate all potential implications for the Company's trade, customers, and suppliers. The directors consider that depending on the effect of the pandemic as well as government responses to it, the Company may face different economic scenarios such as a slowdown or recession. This may directly affect the trade of the Company. The directors are actively analysing possible consequences whilst directing the Company's response to mitigate these risks. Their principal objectives are to protect the health and safety of personnel in the performance of their duties, ensure the continuity of operations, and to fully cooperate with public authorities on all matters within their scope.

**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.

Potential sources of uncertainty noted by the directors include the withdrawal of the United Kingdom from the European Union and the COVID-19 pandemic. However at the date of this report, it is not possible to reliably determine the effects that these events will have on the company. Accordingly the directors have continued to prepare the financial statements on the going concern basis.

**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**

Between the year end and the date of this report, the COVID-19 pandemic emerged globally.

**Auditor**

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

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**FD EUROPE LIMITED**

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**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.

**M D Clark**

Director

Date: 20 December 2020

**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 year ended 31 December 2019 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 2019 and of its profit 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.

**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.

**Other matter - Impact of the outbreak of COVID-19 on the financial statements**

In forming our opinion on the company financial statements, which is not modified, we draw your attention to the directors' view on the impact of the COVID-19 as disclosed on pages 3 and 11, and the consideration in the going concern basis of preparation on page 11 and non-adjusting post balance sheet events on pages 3 and 23.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19, The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy.



**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; or
- 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.

**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.

Richard Karmel (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

21 December 2020

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**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**


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		Year ended 31 December 2019 £	Period ended 31 December 2018 £
	Note		
Turnover	4	2,997,093	941,449
Cost of sales		(307,816)	(83,088)
<b>Gross profit</b>		<u>2,689,277</u>	<u>858,361</u>
Administrative expenses		(2,483,583)	(797,593)
<b>Operating profit</b>	5	<u>205,694</u>	<u>60,768</u>
Tax on profit	9	(44,399)	(12,934)
<b>Profit for the financial year/period</b>		<u><u>161,295</u></u>	<u><u>47,834</u></u>
Other comprehensive income		-	-
<b>Total comprehensive income for the year/period</b>		<u><u>161,295</u></u>	<u><u>47,834</u></u>

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

The notes on pages 11 to 24 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	10	73,671	104,057
		<u>73,671</u>	<u>104,057</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	11	-	37,500
Debtors: amounts falling due within one year	11	185,132	148,123
Cash at bank and in hand		180,857	68,923
		<u>365,989</u>	<u>254,546</u>
Creditors: amounts falling due within one year	12	(209,585)	(304,946)
<b>Net current assets/(liabilities)</b>		156,404	(50,400)
<b>Provisions for liabilities</b>			
Deferred tax	13	(842)	(5,723)
Other provisions	14	(20,004)	-
		<u>(20,846)</u>	<u>(5,723)</u>
<b>Net assets</b>		<u>209,229</u>	<u>47,934</u>
<b>Capital and reserves</b>			
Called up share capital	15	100	100
Profit and loss account	16	209,129	47,834
<b>Total equity</b>		<u>209,229</u>	<u>47,934</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:

**M D Clark**  
Director

Date: 20 December 2020

The notes on pages 11 to 24 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
<b>At 28 April 2018</b>	-	-	-
<b>Comprehensive income for the period</b>			
Profit for the period	-	47,834	47,834
<b>Other comprehensive income for the period</b>	-	-	-
<b>Total comprehensive income for the period</b>	-	47,834	47,834
Shares issued during the period	100	-	100
<b>Total transactions with owners</b>	100	-	100
<b>At 1 January 2019</b>	100	47,834	47,934
<b>Comprehensive income for the year</b>			
Profit for the year	-	161,295	161,295
<b>Other comprehensive income for the year</b>	-	-	-
<b>Total comprehensive income for the year</b>	-	161,295	161,295
<b>Total transactions with owners</b>	-	-	-
<b>At 31 December 2019</b>	100	209,129	209,229

The notes on pages 11 to 24 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1. General information**

FD Europe Limited is a private company, limited by shares, registered and 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 year was the provision of advertising, fashion marketing, sales agency, public relations support and administrative services to fellow group company, Frame LA Brands LLC, a company incorporated in the USA.

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.

Potential sources of uncertainty noted by the directors include the withdrawal of the United Kingdom from the European Union and the COVID-19 pandemic. However at the date of this report, it is not possible to reliably determine the effects that these events will have on the company. Accordingly the directors have continued to prepare the financial statements on the going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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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 Pounds Sterling.

**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 YEAR ENDED 31 DECEMBER 2019**

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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 year 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 YEAR ENDED 31 DECEMBER 2019**

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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 YEAR ENDED 31 DECEMBER 2019**

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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.

**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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**


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**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.

**4. Turnover**

The whole of the turnover is attributable to the principal activity of the company.

All turnover arose within the US.

**5. Operating profit**

The operating profit is stated after charging/(crediting):

	<b>Year ended 31 December 2019 £</b>	<b>Period ended 31 December 2018 £</b>
Depreciation	45,754	17,261
Exchange differences	(1,902)	4
Other operating lease rentals	<u>231,802</u>	<u>125,456</u>

**6. Auditor's remuneration**

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.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**


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**7. Employees**

Staff costs, including directors' remuneration were as follows:

	Year ended 31 December 2019 £	Period ended 31 December 2018 £
Wages and salaries	1,605,933	469,432
Social security costs	202,462	50,182
Pension	26,431	9,954
	<u>1,834,826</u>	<u>529,568</u>

The average number of employees including directors during the year was 21 (2018: 21).

**8. Directors' remuneration**

	Year ended 31 December 2019 £	Period ended 31 December 2018 £
Directors' emoluments	863,794	102,073
	<u>863,794</u>	<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.

The highest paid director received remuneration of £847,467 (2018: £102,073).

**Key management**

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

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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## 9. Taxation

	Year ended 31 December 2019 £	Period ended 31 December 2018 £
<b>Corporation tax</b>		
Current tax on profits for the year/period	51,193	7,211
Adjustments in respect of previous periods	(1,913)	-
<b>Total current tax</b>	<u>49,280</u>	<u>7,211</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(6,593)	5,723
Adjustments in respect of prior years	1,712	-
<b>Total deferred tax</b>	<u>(4,881)</u>	<u>5,723</u>
<b>Taxation on profit on ordinary activities</b>	<u>44,399</u>	<u>12,934</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**


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**9. Taxation (continued)****Factors affecting tax charge for the year/period**

The tax assessed for the year/period is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	Year ended 31 December 2019 £	Period ended 31 December 2018 £
Profit on ordinary activities before tax	<u>205,694</u>	<u>60,768</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	39,082	11,546
<b>Effects of:</b>		
Fixed asset differences	4,552	1,805
Expenses not deductible for tax purposes	190	256
Adjust closing deferred tax to average rate of 19%	(99)	(673)
Adjust opening deferred tax to average rate of 19%	875	-
Adjustments to tax charge in respect of previous periods	(1,913)	-
Adjustments to tax charge in respect of previous periods - deferred tax	1,712	-
<b>Total tax charge for the year/period</b>	<u><u>44,399</u></u>	<u><u>12,934</u></u>

**Factors that may affect future tax charges**

The UK Budget 2020 announced that the corporation tax rate was to be held at 19% rather than reduced to 17% with effect from 1 April 2020 as previously enacted. This provision was substantially enacted on 17 March 2020, after the end of the accounting period, and so deferred tax closing balances have been calculated at 17%.

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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## 10. Tangible fixed assets

	Leasehold Improvements	Fixtures and fittings	Computer equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2019	65,539	36,981	18,798	121,318
Additions	-	12,266	7,135	19,401
Disposals	-	(2,452)	(1,581)	(4,033)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2019	65,539	46,795	24,352	136,686
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 January 2019	9,500	4,643	3,118	17,261
Charge for the year	24,945	13,792	7,017	45,754
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2019	34,445	18,435	10,135	63,015
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 December 2019	<hr/> <hr/> 31,094	<hr/> <hr/> 28,360	<hr/> <hr/> 14,217	<hr/> <hr/> 73,671
<b>At 31 December 2018</b>	<hr/> <hr/> 56,039	<hr/> <hr/> 32,338	<hr/> <hr/> 15,680	<hr/> <hr/> 104,057

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**


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**11. Debtors**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Due after more than one year</b>		
Rent deposit	-	37,500
	<u>-</u>	<u>37,500</u>
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Due within one year</b>		
Trade debtors	-	4,499
Amounts owed by group undertakings	28,522	39,198
Other debtors	61,243	21,974
Prepayments and accrued income	95,367	82,452
	<u>185,132</u>	<u>148,123</u>

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

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

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	9,320	27,356
Amounts owed to group undertakings	-	188,484
Corporation tax	49,280	7,211
Other taxation and social security	86,597	35,403
Other creditors	10,421	5,947
Accruals and deferred income	53,967	40,545
	<u>209,585</u>	<u>304,946</u>

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



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**


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**13. Deferred taxation**

	2019 £	2018 £
At beginning of year	(5,723)	-
Charged/(credited) to statement of comprehensive income	4,881	(5,723)
<b>At end of year</b>	<u>(842)</u>	<u>(5,723)</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(842)	(5,723)
	<u>(842)</u>	<u>(5,723)</u>

**14. Provisions**

	Dilapidation provision £
At 1 January 2019	-
Charged to statement of comprehensive income	20,004
<b>At 31 December 2019</b>	<u>20,004</u>

**15. Called up share capital**

	2019 £	2018 £
<b>Allotted, called up and unpaid</b>		
1,000 (2018:1,000) Ordinary shares of £0.10 each	<u>100</u>	<u>100</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**


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**16. Reserves****Profit and loss account**

This reserve represents the cumulative profit of the company.

**17. 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 £26,431 (2018: £9,954). Contributions amounting to £10,421 (2018: £5,947) were payable at the balance sheet date and are included within creditors.

**18. Commitments under operating leases**

At 31 December 2019 the Company had future minimum lease payments under non-cancelable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	230,000	230,000
Later than 1 year and not later than 5 years	-	230,000
	<u>230,000</u>	<u>460,000</u>

**19. Related party transactions**

At 31 December 2019 an amount of £nil (2018: £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 £nil (2018: £19,128) for the trade and assets of FD London Limited. At 31 December 2019 an amount of £nil (2018: £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 £nil (2018: £4,499). At 31 December 2019 an amount of £nil (2018: £4,499) was due from Good American LLC to the Company.

During the year the Company made sales to Frame LA Brands LLC, the immediate parent company of the Company, of £2,997,093 (2018: £936,949). During the year there were management fee costs of £79,745 (2018: £nil). At the year end an amount of £28,522 (2018: £93,162 owed to group undertakings) was owed by the company to Frame LA Brands LLC.

**20. Post balance sheet events**

Between the year end and the date of this report, the COVID-19 pandemic emerged globally. For more detail regarding the directors' view of this event please refer to the Directors' Report.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**21. Controlling party**

The immediate parent company is Frame LA Brands 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.

However, the directors do not believe there to be one ultimate controlling party.

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