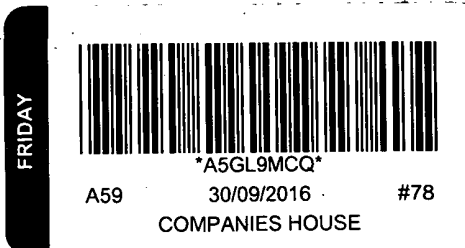


**Company Registration Number: 04438273**

**Alexander McQueen Trading Limited**

**Report and Financial Statements  
For the year ended 31 December 2015**



**Alexander McQueen Trading Limited**  
**Report and financial statements 2015**  
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**Alexander McQueen Trading Limited**  
**Professional advisors**

**Registered office**

5th Floor, Rear Suite, Oakfield House  
35 Perrymount Road  
Haywards Heath  
West Sussex  
United Kingdom  
RH16 3BW

**Bank**

HSBC Bank Plc  
40 South Road  
Haywards Heath  
West Sussex  
RH16 4LU

**Statutory auditor**

KPMG LLP  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

## **Alexander McQueen Trading Limited**

### **Strategic Report**

The Directors present their annual report and the audited financial statements for the year ended 31 December 2015, together with an update of activity for the subsequent period to the date of the filing of the accounts.

#### **Principal activity**

The principal activity of the company continues to be the strategic development of the Alexander McQueen brand.

#### **Business Review**

In 2015, both retail and wholesale sales for the global brand reached unprecedented levels, confirming the strong development of the Alexander McQueen brand as well as the successful in-house relaunch of the McQ Label.

During the year the company sold its US branch to Alexander McQueen Trading America Inc., a company within the Kering SA group. The results of this branch have therefore been disclosed in the profit and loss account as discontinued activities. The sale of the US branch generated a profit of £2,599,188.

The Directors of Alexander McQueen Trading Limited are therefore satisfied with the performance of the business during 2015.

#### **Performance for the year**

Sales for the company in the UK and the US have been maintained at £63.9m (2014: £64.1m), a fall of 0.3%, in the face of challenging conditions.

Alexander McQueen Trading Limited posted an operating loss of £611,730 in 2015 which compares to £656,672 in 2014, a reduction of 7%.

#### **Key performance indicators**

Given the structure of the Alexander McQueen business and the company within that, management monitors progress on its strategy by reference to turnover and profit disclosed within the profit and loss account, as discussed above.

## **Alexander McQueen Trading Limited**

### **Strategic Report (continued)**

#### **Strategy**

Founded in 1992 by Lee Alexander McQueen, the Alexander McQueen brand quickly gained reputation for conceptual design and forged a strong brand identity which led to a partnership with Kering in 2001. Since the death of Lee Alexander McQueen in 2010, the brand has been fully owned by Kering.

Renowned for its unbridled creativity, Alexander McQueen, under the creative direction of Sarah Burton since 2010, has expanded internationally through both wholesale and retail channels over the past decade, with wholesale being a key growth driver. In recent years, an acceleration in new stores openings has enabled the brand to strengthen its position in the luxury sector.

#### **Risks & Uncertainties**

As a fashion and lifestyle company every new season confronts the brand with the risk that the new collections may be received less positively than anticipated. Constant market observation and regular attendance of international fashion events ensure that trends are identified early on to serve as a basis for the collection development.

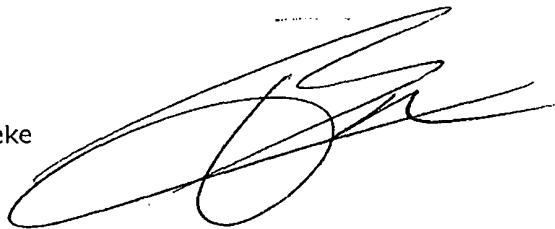
The Directors also recognise the risks associated with not adequately protecting the brand's trademarks. As such the Company invests strongly in securing and defending industrial property rights in various product categories and countries.

#### **Outlook**

In 2016, both Alexander McQueen and McQ will continue to expand. Alexander McQueen plans to open additional freestanding stores and McQ will continue to build on its franchise network. In February 2016, Alexander McQueen will show its Fall/Winter 2016 collection in London, marking a landmark return to its home city, followed by the launch of McQueen Parfum. Management feels that the company is therefore well positioned to keep this momentum going and continue with the long term strategy of developing the business.

Strategic report approved by the Board of Directors and signed on behalf of the Board on  
30 SEPTEMBER 2016

B D Van Holderbeke  
Director



Company registration number: 04438273

## **Alexander McQueen Trading Limited**

### **Directors' Report**

*The Directors present their annual report and the audited financial statements for the year ended 31 December 2015.*

#### **Results and dividends**

The results for the year are set out in the profit and loss account on page 10.

The results for the year show a loss before tax of £694,022 (2014: £1,020,624) and sales of £63,904,175 (2014: £64,103,572).

The loss for the year after taxation of £430,362 (2014: £1,212,131) has been included in reserves.

The Directors do not propose the payment of a dividend for the year ended 31 December 2015 (31 December 2014: £nil).

#### **Financial Instruments**

The company has no derivatives and does not trade in financial instruments.

The company operates within the United Kingdom and the majority of transactions are denominated in Sterling. Foreign currency transactions are monitored by the directors to ensure that currency risks are kept at acceptable levels.

The company funds operations through agreements with other group companies.

## **Alexander McQueen Trading Limited**

### **Directors' Report (continued)**

#### **Directors**

The directors of the company during the year ended 31 December 2015 and up to the date of signing the Directors' Report were as follows:

J Akeroyd (resigned 4 May 2016)  
B D Van Holderbeke  
E Sandrin  
E Gintzbürger (appointed 9 May 2016)

#### **Directors' and secretary's interests**

The directors and secretary and their families hold no beneficial interests in the company or any other group company at 31 December 2015.

#### **Disclosure of information to the auditor**

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

#### **Political contributions**

The company has not made any political contributions during the year (2014: £nil).

**Alexander McQueen Trading Limited**  
**Directors' Report (continued)**

**Going Concern**

The financial statements have been prepared on the going concern basis, notwithstanding the net current liability position on the company's balance sheet, which the directors believe to be appropriate for the following reasons.

The company is dependent for its working capital on funds provided to it indirectly by Kering Holland NV who have provided Alexander McQueen Trading Limited with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available that would otherwise place the company in insolvency. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

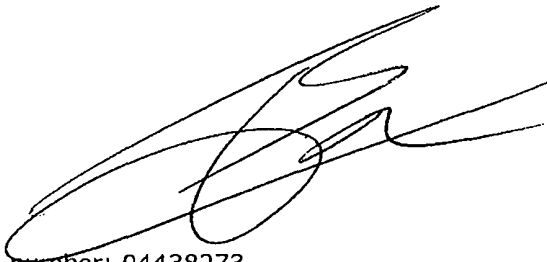
Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

**Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Directors' report approved by the Board of Directors and signed on behalf of the Board on  
30 SEPTEMBER 2016

B D Van Holderbeke  
Director

A handwritten signature in black ink, appearing to be 'B D Van Holderbeke', written over a large, faint circular stamp or watermark.

Company registration number: 04438273



## **Alexander McQueen Trading Limited**

### **Statement of Directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS 101 Reduced Disclosure Framework.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **Independent auditor's report to the members of Alexander McQueen Trading Limited**

We have audited the financial statements of Alexander McQueen Trading Limited for the year ended 31 December 2015 set out on pages 10 to 37. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS101 Reduced Disclosure Framework.

This report is made solely to the company's members, as a body, in accordance with chapter 3 part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practises Board Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

## **Independent auditor's report to the members of Alexander McQueen Trading Limited (continued)**

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Andrew Bradshaw*

**Andrew Bradshaw (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

30<sup>th</sup> September 2016

**Alexander McQueen Trading Limited**  
**Profit and loss account**  
**For year ended 31 December 2015**

	Note	Year ended 31 December 2015 £	Year ended 31 December 2014 £
<b>Turnover</b>	3	<b>10,531,244</b>	<b>9,605,653</b>
Cost of Sales		(5,210,505)	(5,348,629)
<b>Gross profit</b>		<b>5,320,739</b>	<b>4,257,024</b>
Administrative Expenses		(9,215,097)	(6,625,120)
<b>Operating loss</b>	5	<b>(3,894,358)</b>	<b>(2,368,096)</b>
Interest receivable and similar income	6	629	4,328
Interest payable and similar charges	7	(78,277)	(51,760)
<b>Loss on ordinary activities before taxation</b>		<b>(3,972,006)</b>	<b>(2,415,528)</b>
Taxation on loss on ordinary activities	8	(601)	214,361
Loss from continuing operations	2	(3,972,607)	(2,201,167)
Profit from discontinued operations	2	3,542,245	989,036
<b>Retained loss for the financial year</b>		<b>(430,362)</b>	<b>(1,212,131)</b>

The notes on pages 14 to 37 form an integral part of these financial statements.

**Alexander McQueen Trading Limited**  
**Statement of Comprehensive Income**  
**For year ended 31 December 2015**

	<b>Year ended 31 December 2015 £</b>	<b>Year ended 31 December 2014 £</b>
Retained loss for the financial year	(430,362)	(1,212,131)
<b>Other comprehensive (loss)/income</b>		
Foreign exchange (loss)/gain	(30,647)	131,890
<b>Total comprehensive loss for the financial year</b>	<u>(461,009)</u>	<u>(1,080,241)</u>

**Alexander McQueen Trading Limited**  
**Balance Sheet as at 31 December 2015**

	Notes	31 December 2015 £	31 December 2014 £
<b>Fixed assets</b>			
Tangible assets	9	3,583,010	15,451,893
Investments	10	7,561,925	1,389,294
		<b>11,144,935</b>	<b>16,841,187</b>
<b>Current assets</b>			
Stock	11	2,949,714	15,087,163
Debtors	12	11,191,582	22,626,908
Cash at bank and in hand		1,816,346	719,880
		<b>15,957,642</b>	<b>38,433,951</b>
<b>Creditors</b>			
Amounts falling due within one year	13	(26,349,026)	(54,060,578)
<b>Net current liabilities</b>		<b>(10,391,384)</b>	<b>(15,626,627)</b>
<b>Total assets less current liabilities</b>		<b>753,551</b>	<b>1,214,560</b>
<b>Net assets</b>		<b>753,551</b>	<b>1,214,560</b>
<b>Capital and reserves</b>			
Called up share capital	14	1	1
Profit and loss account		753,550	1,214,559
<b>Total equity shareholders' funds</b>		<b>753,551</b>	<b>1,214,560</b>

The notes on pages 14 to 37 form an integral part of these financial statements.  
These financial statements were approved by the Board of Directors on 30 SEPTEMBER 2016

B D Van Holderbeke  
Director  
Company registration number: 04438273

**Alexander McQueen Trading Limited**  
**Statement of Changes in Equity**  
**31 December 2015**

	Share capital £	Profit and Loss Account £	Total £
<b>Balance at 1 January 2014</b>	<b>1</b>	<b>2,294,800</b>	<b>2,294,801</b>
Loss for the year	-	(1,212,131)	(1,212,131)
Other comprehensive income	-	131,890	131,890
<b>Total comprehensive loss</b>	<b>-</b>	<b>(1,080,241)</b>	<b>(1,080,241)</b>
<b>Balance at 31 December 2014</b>	<b>1</b>	<b>1,214,559</b>	<b>1,214,560</b>
<b>Balance at 1 January 2015</b>	<b>1</b>	<b>1,214,559</b>	<b>1,214,560</b>
Loss for the year	-	(430,362)	(430,362)
Other comprehensive loss	-	(30,647)	(30,647)
<b>Total comprehensive loss</b>	<b>-</b>	<b>(461,009)</b>	<b>(461,009)</b>
<b>Balance at 31 December 2015</b>	<b>1</b>	<b>753,550</b>	<b>753,551</b>

The notes on pages 14 to 37 form an integral part of these financial statements.

**Alexander McQueen Trading Limited**  
**Notes to the accounts**  
**For year ended 31 December 2015**

**1 Accounting policies**

**Basis of preparation**

Alexander McQueen Trading Limited (the "Company") is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2013/14 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- An additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy, the correction of error, or the reclassification of items in the financial statements; and
- Disclosures in respect of the compensation of Key Management Personnel.

Notification of the exemptions taken under FRS101 has been provided to shareholders and no objections have been made in respect of these.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 balance sheet at 1 January 2013 for the purposes of the transition to FRS 101.



**Alexander McQueen Trading Limited**  
**Notes to the accounts (continued)**  
**For year ended 31 December 2015**

**1 Accounting policies (continued)**

**Going Concern**

The financial statements have been prepared on the going concern basis, notwithstanding the net current liability position on the company's balance sheet, which the directors believe to be appropriate for the following reasons. Kering Holland NV, the intermediate parent, has provided Alexander McQueen Trading Limited with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

Based on this undertaking the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

**Interest receivable/payable**

Interest earned on deposits is credited to the profit and loss account on an accruals basis. Interest arising on borrowings is charged to the profit and loss account on an accruals basis.

**Provisions**

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle that obligation.

**Revenue recognition**

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, it is probable that the economic benefit will flow to the company and the amount of revenue can be measured reliably.

The turnover shown in the profit and loss account represents the invoiced value of goods and services supplied, exclusive of value added tax and settlement discounts.

Retail revenue is recognised at point of sale in store.

Wholesale revenue is recognised when the significant risks and rewards of ownership of the goods have been passed to the customer on despatch.

**Alexander McQueen Trading Limited**  
**Notes to the accounts (continued)**  
**For year ended 31 December 2015**

**1 Accounting policies (continued)**

**Foreign currency**

Transactions in foreign currency are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date to the functional currency at the foreign exchange rate ruling at that date.

All exchange differences are taken to the profit and loss account.

The results and balances of overseas operations are translated at the closing rates of exchange at the period end. Exchange differences arising are recorded in the Statement of Comprehensive Income.

**Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

**Intangible fixed assets**

Trademarks and other intangible fixed assets are capitalised at cost and are amortised over their useful economic lives. The Directors estimate these to be between five and twenty years.

**Alexander McQueen Trading Limited**  
**Notes to the accounts (continued)**  
**For year ended 31 December 2015**

**1 Accounting policies (continued)**

**Tangible fixed assets**

Fixed assets are stated at cost less depreciation and, when appropriate, provision for impairment. Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Leasehold improvements	6 years straight line
Fixtures and fittings	7 years straight line
Computer equipment	4 years straight line

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

**Impairment**

A financial asset not carried at fair value through profit and loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Stores are identified for impairment testing on the basis of current performance with growth assumptions, age, refurbishment history and geographical proximity to other store locations taken into account. Based on this rationale the Directors do not consider it appropriate to make any adjustments for impairment to the carry values of assets.

**Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost is based on the weighted average principle and where necessary, provision is made for obsolete, slow moving and defective stocks based on the director's knowledge of customer demands and the stock aging profile. Sales in the fashion industry are volatile with increasing changes in customer demands and trends and therefore the directors have used their best estimation in relation to stock valuation.

**Alexander McQueen Trading Limited**  
**Notes to the accounts (continued)**  
**For year ended 31 December 2015**

**1 Accounting policies (continued)**

**Operating leases**

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

**Pension scheme arrangements**

The company contributes to employees' personal pension schemes. Contributions are charged to the profit and loss account in respect of the accounting period.

**Related parties**

As the Company is a wholly owned subsidiary of Kering Holland NV and the Company's voting rights are controlled within the group headed by Kering S.A., the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Kering S.A., within which this Company is included, can be obtained from the address given in note 17.

**Long term incentive plans**

Certain executives of the Company are offered an annual bonus grant which is based on the achievement of financial targets by its parent Company, Kering Holland NV, over the course of three year time frame.

The obligation of the Company over the term of this plan is estimated and its costs are spread over the length of the plan (3 years).

**Investments**

Investments are stated at cost, less any provision for impairment.

**Dividends**

Dividends are paid on ordinary shares presented within equity. Dividends are only recognised as a liability to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

# Alexander McQueen Trading Limited

## Notes to the accounts (continued)

For year ended 31 December 2015

### 2 Analysis of continuing and discontinued operations

On 27th December 2015 the company sold its US branch to Alexander McQueen Trading America Inc., a company within the Kering SA group. The results of this branch have therefore been disclosed in the profit and loss account as discontinued activities. The sale of the US branch generated a profit of £2,599,187.

#### Results of continuing and discontinued operations

	Continuing operations £	Discontinued operations £	2015 Total £	Continuing operations £	Discontinued operations £	2014 Total £
Turnover	10,531,244	53,372,931	63,904,175	9,605,653	54,497,919	64,103,572
Cost of Sales	(5,210,505)	(43,463,957)	(48,674,462)	(5,348,629)	(39,882,574)	(45,231,203)
Gross profit	5,320,739	9,908,974	15,229,713	4,257,024	14,615,345	18,872,369
Administrative Expenses	(9,215,097)	(6,626,346)	(15,841,443)	(6,625,120)	(12,903,921)	(19,529,041)
Operating (loss)/profit	(3,894,358)	3,282,628	(611,730)	(2,368,096)	1,711,424	(656,672)
Interest receivable	629	-	629	4,328	-	4,328
Interest payable	(78,277)	(4,644)	(82,921)	(51,760)	(316,520)	(368,280)
(Loss)/profit on ordinary activities before taxation	(3,972,006)	3,277,984	(694,022)	(2,415,528)	1,394,904	(1,020,604)
Tax on loss on ordinary activities (note 8)	(601)	264,261	263,660	214,361	(405,868)	(191,507)
Retained loss for the financial year	(3,972,607)	3,542,245	(430,362)	(2,201,167)	989,036	(1,212,131)

#### Effect of the disposals of individual assets and liabilities

	£
Tangible fixed assets	8,206,374
Stocks	9,270,951
Trade debtors	6,385,941
Other debtors	369,452
Deferred tax asset	1,370,598
Cash and cash equivalents	11,238
Accruals and deferred Income	(5,128,268)
Other creditors	(16,876,974)
Net identifiable assets and liabilities	3,609,312
Consideration, satisfied in share capital	6,168,499
Gain on disposal	2,559,187

**Alexander McQueen Trading Limited**  
**Notes to the accounts (continued)**  
**For year ended 31 December 2015**

**3 Turnover**

Turnover is wholly attributable to the principal continuing activity of the company as outlined in the directors' report and consists entirely of sales to customers in the United Kingdom and intercompany sales to customers and group companies outside the United Kingdom.

	<b>Year ended 31 December 2015 £</b>	<b>Year ended 31 December 2014 £</b>
Trading activities in the UK	10,531,244	9,605,652
Trading activities within North America	23,268,523	19,666,787
Distribution activities within North America	30,104,408	34,831,133
	<u>63,904,175</u>	<u>64,103,572</u>

**Alexander McQueen Trading Limited**  
**Notes to the accounts (continued)**  
**For year ended 31 December 2015**

**4 Information regarding directors and employees**

<b>Average number of persons employed (including executive directors) during the year</b>	<b>Year ended 31 December 2015 No.</b>	<b>Year ended 31 December 2014 No.</b>
Selling	105	93
Administration	2	2
	<u>107</u>	<u>95</u>

<b>Staff costs during the year</b>	<b>Year ended 31 December 2015 £</b>	<b>Year ended 31 December 2014 £</b>
Wages and salaries	5,439,597	4,835,901
Social security costs	450,275	461,913
Contributions to defined contribution plans	26,607	16,797
	<u>5,916,479</u>	<u>5,314,611</u>

**Directors' emoluments**

The Directors who held office during the year received no emoluments in respect of their services to the company (31 December 2014: £nil). The Directors are employed by other group companies so any remuneration given is borne by those group companies. No remuneration is given in respect of acting as a Director of this entity as it is incidental to their overall responsibilities to the group.

**Alexander McQueen Trading Limited**  
**Notes to the accounts (continued)**  
**For year ended 31 December 2015**

**5 Operating loss**

	<b>Year ended 31 December 2015</b>	<b>Year ended 31 December 2014</b>
	<b>£</b>	<b>£</b>
<b>Operating loss is stated after charging:</b>		
Depreciation charge for the year	2,776,674	2,669,619
(Profit)/loss on disposal of overseas branch	(2,559,188)	-
Impairment of tangible fixed assets	2,116,270	-
Operating leases	7,148,221	6,353,398
Loss on foreign exchange transactions	350,998	56,885
Auditor's remuneration; audit fees	37,000	47,849
	<u>37,000</u>	<u>47,849</u>

**6 Interest receivable and similar income**

	<b>Year ended 31 December 2015</b>	<b>Year ended 31 December 2014</b>
	<b>£</b>	<b>£</b>
Bank interest receivable	629	4,328
	<u>629</u>	<u>4,328</u>

**7 Interest payable and similar charges**

	<b>Year ended 31 December 2015</b>	<b>Year ended 31 December 2014</b>
	<b>£</b>	<b>£</b>
Interest payable to group companies	77,647	368,280
Bank interest payable	5,274	-
	<u>82,921</u>	<u>368,280</u>



**Alexander McQueen Trading Limited**  
**Notes to the accounts (continued)**  
**For year ended 31 December 2015**

**8 Tax on loss on ordinary activities**

There is no tax charged or credited in the current year due to trading losses. No tax credit has been recognised in respect of these losses as the directors are not of the opinion that these amounts are likely to be recovered in the foreseeable future.

**(a) Analysis of (credit)/charge in period**

	Year ended 31 December 2015 £	Year ended 31 December 2014 £
<b>Current tax :</b>		
<i>UK corporation tax</i>		
UK corporation tax at 20.25% (21.50%) on loss on ordinary activities	-	47,729
Under/(over) provision in prior year corporation tax	601	(214,361)
Double taxation relief	-	(47,729)
	<u>601</u>	<u>(214,361)</u>
<b>Foreign tax</b>		
Current tax on Income for the year	791,662	643,366
Adjustments in respect of prior periods	314,675	(237,498)
	<u>1,106,938</u>	<u>191,507</u>
<b>Deferred tax</b>		
Tax effect of timing differences due to:		
Accelerated capital allowances	231,954	-
Adjustment relating to prior year	(1,602,552)	-
	<u>(1,370,598)</u>	<u>-</u>
Total deferred tax	<u>(1,370,598)</u>	<u>-</u>
Total tax (credit)/charge	<u>(263,660)</u>	<u>191,507</u>

**Alexander McQueen Trading Limited**  
**Notes to the accounts (continued)**  
**For year ended 31 December 2015**

**8 Tax on loss on ordinary activities (continued)**

**(b) Factors affecting the tax (credit)/charge for the current year**

The tax assessed for the year is lower (2014: higher) than that resulting from applying the standard rate of corporation tax in the UK of 20.25% (2014: 21.50%). The differences are explained below:

	Year ended 31 December 2015	Year ended 31 December 2014
	£	£
<b>(Loss) on ordinary activities before taxation</b>	(694,022)	(1,020,624)
Current tax charge/(credit)		
Tax on (loss) on ordinary activities at standard rate of corporation tax in the UK of 20.25% (2014: 21.50%)	(140,539)	(221,560)
<b>Effects of:</b>		
Disallowed expenses and non-taxable income	(104,092)	9,056
Under/(over) provision in prior year corporation tax	601	(214,361)
Over provision in prior year deferred tax	(1,287,877)	(237,498)
Capital allowances in excess of depreciation	108,530	80,347
Overseas tax charge at increased rates	501,973	147,934
Tax losses not recognised	356,594	453,648
Depreciation on non-qualifying assets	69,196	173,941
Short term timing differences	231,954	-
<b>Total tax (credit)/charge</b>	<b>(263,660)</b>	<b>191,507</b>

**Alexander McQueen Trading Limited**  
**Notes to the accounts (continued)**  
**For year ended 31 December 2015**

**8 Tax on loss on ordinary activities (continued)**

**(c) Deferred tax**

Deferred tax assets as at the balance sheet date were as follows:

	Year ended 31 December 2015 £	Year ended 31 December 2015 £	Year ended 31 December 2014 £	Year ended 31 December 2014 £
	Recognised in income	Unrecognised	Recognised in income	Unrecognised
Tax effect of temporary differences due to:				
Tangible fixed assets	-	471,501	-	-
Tax losses carried forward	-	382,598	-	-
	-	854,099	-	-

The deferred assets in relation to accelerated capital allowances and losses carried forward have not been recognised as there is insufficient evidence that the assets will be recovered through future taxable profits.

The tax rate used for tax on results on ordinary activities is the standard rate for UK corporation tax. Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future current tax charge accordingly.

**Alexander McQueen Trading Limited**  
**Notes to the accounts (continued)**  
**For year ended 31 December 2015**

**9 Tangible Fixed Assets**

	<b>Leasehold improvements £</b>	<b>Fixtures, fittings, tools and equipment £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 January 2015	17,864,271	4,696,530	541,280	23,102,081
Exchange differences	564,233	111,482	23,803	699,518
Additions	501,332	239,431	13,041	753,804
Disposals	(11,654,475)	(2,407,759)	(502,174)	(14,564,408)
At 31 December 2015	<u>7,275,361</u>	<u>2,639,684</u>	<u>75,950</u>	<u>9,990,995</u>
<b>Depreciation</b>				
At 1 January 2015	6,125,345	1,277,728	247,115	7,650,188
Exchange differences	176,119	29,316	29,416	234,851
Charge for the year	2,098,250	591,357	87,067	2,776,674
Impairment losses	1,878,076	238,194	-	2,116,270
Disposals	(5,133,983)	(931,346)	(304,669)	(6,369,998)
At 31 December 2015	<u>5,143,807</u>	<u>1,205,249</u>	<u>58,929</u>	<u>6,407,985</u>
<b>Net book value</b>				
<b>At 31 December 2015</b>	<u>2,131,554</u>	<u>1,434,435</u>	<u>17,021</u>	<u>3,583,010</u>
At 31 December 2014	<u>11,738,926</u>	<u>3,418,802</u>	<u>294,165</u>	<u>15,451,893</u>

During the year an impairment charge was recognised in relation to one of the company's leasehold properties.

**Alexander McQueen Trading Limited**  
**Notes to the accounts (continued)**  
**For year ended 31 December 2015**

**10 Investments**

	<b>31 December 2015</b>	<b>31 December 2014</b>
<b>Cost and net book value</b>	<b>£</b>	<b>£</b>
At 1 January	1,389,294	1,389,294
Additions	6,172,631	-
At 31 December	<u>7,561,925</u>	<u>1,389,294</u>

During the year the company invested in 100% of the share capital of Alexander McQueen Trading America Inc., a company incorporated in the United States, as detailed in note 2.

The company also invested in 100% of the share capital of Alexander McQueen GmbH, a company incorporated in Austria.

The company has the following investments in subsidiaries:

<b>Subsidiary Undertakings</b>	<b>Country of Incorporation</b>	<b>Principle Activity</b>	<b>Class &amp; percentage of shares held in the company</b>
Alexander McQueen Italia SRL	Italy	Operation of retail stores	100%
Alexander McQueen Trading America Inc.	United States	Operation of retail stores and wholesale activities	100%
Alexander McQueen GmbH	Austria	Operation of retail stores 100%	100%

**Alexander McQueen Trading Limited**  
**Notes to the accounts (continued)**  
**For year ended 31 December 2015**

**11 Stocks**

	<b>31 December 2015 £</b>	<b>31 December 2014 £</b>
Finished goods and goods for resale	<u>2,949,714</u>	<u>15,087,163</u>

Changes in finished goods and goods for resale recognised as cost of sales in the year amounted to £48,674,462 (2014:£45,231,203).

**12 Debtors**

	<b>31 December 2015 £</b>	<b>31 December 2014 £</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	182,094	7,292,172
Amounts due from group undertakings	10,631,930	12,536,980
Other debtors	91,967	1,478,612
Prepayments	285,591	1,319,144
	<u>11,191,582</u>	<u>22,626,908</u>

Amounts due from group undertakings are unsecured and repayable on demand.

**Alexander McQueen Trading Limited**  
**Notes to the accounts (continued)**  
**For year ended 31 December 2015**

**13 Creditors**

	<b>31 December 2015 £</b>	<b>31 December 2014 £</b>
<b>Amounts falling due within one year:</b>		
Amounts owed to group undertakings	24,201,523	42,802,711
Other taxes and social security	465,021	646,182
Accruals and deferred income	921,909	5,717,785
Other Creditors	760,573	4,893,900
	<u>26,349,026</u>	<u>54,060,578</u>

Included within amounts owed to group undertakings are intercompany loans of £5,100,000 (2014: £18,932,000) which are unsecured and accrue interest at the prevailing 3 month LIBOR rate + 1%. The remaining amounts are unsecured and repayable on demand.

**Alexander McQueen Trading Limited**  
**Notes to the accounts (continued)**  
**For year ended 31 December 2015**

**14      Called up share capital**

	<b>31 December 2015 £</b>	<b>31 December 2014 £</b>
<b>Authorised</b>		
1,000 ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
	<b>31 December 2015 £</b>	<b>31 December 2014 £</b>
<b>Called up, allotted and fully paid</b>		
1 ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>



**Alexander McQueen Trading Limited**  
**Notes to the accounts (continued)**  
**For year ended 31 December 2015**

**15 Financial commitments**

At 31 December 2015 the company had commitments under non-cancellable operating leases related to store premises as follows:

	<b>31 December 2015</b>		<b>31 December 2014</b>	
	<b>Land and buildings</b>	<b>Other</b>	<b>Land and buildings</b>	<b>Other</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Less than one year	2,170,362	-	6,915,049	-
Between one and five years	7,701,325	-	26,102,949	-
More than five years	8,738,593	-	41,070,568	-
	<u>18,610,280</u>	<u>-</u>	<u>74,088,566</u>	<u>-</u>

**Alexander McQueen Trading Limited**

**Notes to the accounts (continued)**

**For year ended 31 December 2015**

**16 Explanation of transition from UK GAAP to FRS 101**

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2015, the comparative information presented in these financial statements for the year ended 31 December 2014 and in the preparation of an opening FRS 101 balance sheet at 01 January 2014 (the Company's date of transition).

In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 101 has affected the Company's financial position and financial performance is set out in the following tables and the notes that accompany the tables.

**Alexander McQueen Trading Limited**  
**Notes to the accounts (continued)**  
**For year ended 31 December 2015**

**16 Explanation of transition to FRS 101 (continued)**

*Reconciliation of equity:*

	Notes	31 December 2013			31 December 2014		
		UK GAAP	Effect of transition to FRS 101	FRS 101	UK GAAP	Effect of transition to FRS 101	FRS 101
		£	£	£	£	£	£
<b>Fixed assets</b>							
Tangible assets		15,093,311	-	15,093,311	15,451,893	-	15,451,893
Investments		1,389,294	-	1,389,294	1,389,294	-	1,389,294
		<b>16,482,605</b>	-	<b>16,482,605</b>	<b>16,841,187</b>	-	<b>16,841,187</b>
<b>Current assets</b>							
Stock		12,219,868	-	12,219,868	15,087,163	-	15,087,163
Debtors		15,710,872	-	15,710,872	22,626,908	-	22,626,908
Cash at bank and in hand		94,716	-	94,716	719,880	-	719,880
		<b>28,025,456</b>	-	<b>28,025,456</b>	<b>38,433,951</b>	-	<b>38,433,951</b>
<b>Creditors: Amounts falling due within one year</b>		<b>(42,012,159)</b>	<b>(201,101)</b>	<b>(42,213,260)</b>	<b>(53,841,713)</b>	<b>(218,865)</b>	<b>(54,060,578)</b>
<b>Net current assets</b>		<b>(13,986,703)</b>	<b>(201,101)</b>	<b>(14,187,804)</b>	<b>(15,407,762)</b>	<b>(218,865)</b>	<b>(15,626,627)</b>
<b>Total assets less current liabilities</b>		<b>2,495,902</b>	<b>(201,101)</b>	<b>2,294,801</b>	<b>1,433,425</b>	<b>(218,865)</b>	<b>1,214,560</b>
<b>Net assets</b>		<b>2,495,902</b>	<b>(201,101)</b>	<b>2,294,801</b>	<b>1,433,425</b>	<b>(218,865)</b>	<b>1,214,560</b>
<b>Capital and reserves</b>							
Called up share capital		1	-	1	1	-	1
Profit and loss account		2,495,901	(201,101)	2,294,800	1,433,424	(218,865)	1,214,559
<b>Total equity shareholders' funds</b>		<b>2,495,902</b>	<b>(201,101)</b>	<b>2,294,801</b>	<b>1,433,425</b>	<b>(218,865)</b>	<b>1,214,560</b>

**Alexander McQueen Trading Limited**  
**Notes to the accounts (continued)**  
**For year ended 31 December 2015**

**16 Explanation of transition from UK GAAP to FRS 101 (continued)**

*Notes to the reconciliation of equity*

a) The adjustment above relates to a difference in the accounting treatment of rent free periods and other incentives in relation to certain of the company's leasehold properties.

**Alexander McQueen Trading Limited**  
**Notes to the accounts (continued)**  
**For year ended 31 December 2015**

**16 Explanation of transition from UK GAAP to FRS 101 (continued)**

<i>Reconciliation of loss for 2014</i>		<b>31 December 2014</b>		
		<b>UK GAAP</b>	<b>Effect of transition to FRS 101</b>	<b>FRS 101</b>
	Note	£	£	£
<b>Turnover</b>		64,103,572	-	64,103,572
Cost of Sales		(45,231,203)	-	(45,231,203)
<b>Gross profit</b>		<b>18,872,369</b>	<b>-</b>	<b>18,872,369</b>
Administrative Expenses		(19,511,277)	(17,764)	(19,529,041)
<b>Operating profit</b>		<b>(638,908)</b>	<b>(17,764)</b>	<b>(656,672)</b>
Interest receivable and similar income		4,328	-	4,328
Interest payable and similar charges		(368,280)	-	(368,280)
<b>Profit on ordinary activities before taxation</b>		<b>(1,002,860)</b>	<b>(17,764)</b>	<b>(1,020,624)</b>
Taxation on profit on ordinary activities		(191,507)	-	(191,507)
<b>Retained profit for the financial year</b>		<b>(1,194,367)</b>	<b>(17,764)</b>	<b>(1,212,131)</b>

**Alexander McQueen Trading Limited**  
**Notes to the accounts (continued)**  
**For year ended 31 December 2015**

**16 Explanation of transition from UK GAAP to FRS 101 (continued)**

*Notes to the reconciliation of loss*

a) The adjustment above relates to a difference in the accounting treatment of rent free periods and other incentives in relation to certain of the company's leasehold properties. The tax effect of the adjustment has not been recognised given that the company is loss making and there is insufficient short term evidence that deferred tax in relation to tax losses carried forward will be recovered through future profits.

**Alexander McQueen Trading Limited**  
**Notes to the accounts (continued)**  
**For year ended 31 December 2015**

**17      Ultimate holding company, holding company and controlling party**

Kering S.A., a company incorporated in France, is the ultimate parent company and the largest and smallest group to consolidate these financial statements. Consolidated accounts including the results of the company are available to the public from 10 Avenue Hoche, 75381, Paris Cedex 08, France.