

**Company Registration No. 04438273**

**Alexander McQueen Trading  
Limited**

**Report and Financial Statements**

**For the year ended 31 December 2013**

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# **Alexander McQueen Trading Limited**

## **Report and financial statements 2013**

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# **Alexander McQueen Trading Limited**

## **Report and financial statements 2013**

### **Professional advisers**

#### **Registered office**

5<sup>th</sup> Floor Rear Suite  
Oakfield House  
35 Perrymount Road  
Haywards Heath  
West Sussex  
RH16 3BW

#### **Bankers**

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

#### **Independent 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 2013, together with an update of activity for the subsequent period to the date of the filing of the accounts.

### Business Review

In 2013, both retail and wholesale sales reached unprecedented levels, confirming the strong development of the Alexander McQueen brand as well as the successful in-house relaunch of the McQ Label.

A significant refurbishment in order to implement the new store concept was made to the company's UK flagship store in Bond Street which necessitated its closure for three months over the summer. New stores were also opened in New York, Dallas and San Francisco. The cost of this investment caused the company to generate one-off losses in the year.

The Directors of Alexander McQueen Trading Limited are therefore satisfied with the performance of the business during 2013, with an operating loss for the year of £1,447,790 (2012: £3,931,406).

### Company Structure

Alexander McQueen Trading Limited is the legal entity within the worldwide Alexander McQueen business that manages retail operations in the United Kingdom and Italy, as well as retail and wholesale operations in the United States. The US operations are conducted through a branch in the US. The Italian operations were conducted through a branch in Italy until 8 July 2013, when the company converted this branch into a subsidiary company in Italy, Alexander McQueen Italia SRL. Results of the Italian operations are therefore no longer included within this company from that date.

Alexander McQueen branded products are distributed by various companies within Kering S.A., and not just by Alexander McQueen Trading Limited. Therefore, the full scale, momentum and financial condition of the Alexander McQueen business on a worldwide basis is not visible solely from the financial statements of Alexander McQueen Trading Limited, as required to be filed under the terms of the UK Companies Act.

### Strategy

The Alexander McQueen brand was established in July 2001, reaching a break even for the first time in 2007, and continues to grow.

The brand has carefully entered into selected strategic brand licensing partnerships that are consistent with the brand's core values and the Alexander McQueen collections. These partnerships increased brand awareness and offered revenue streams to complement the existing core business. In 2013, there were licensing partnerships in place with Puma AG and Safilo.

Alexander McQueen took full control of its McQ Label, following the expiration of its manufacturing and licence agreement with SINV SpA in 2011.

Given the structure of the Alexander McQueen business and the Company within that, management do not consider it meaningful to discuss KPIs within the statutory accounts of Alexander McQueen Trading Ltd other than those relating to turnover and profit included in the profit and loss account on page 9.

# Alexander McQueen Trading Limited

## Strategic report (continued)

### Information on Alexander McQueen brand activities not included within Alexander McQueen Trading Ltd accounts

In 2013 Alexander McQueen and McQ brands had a total network of 30 directly-operated stores across all regions. All collections are also sold online in most countries, through the joint venture established with Yoox. The results of stores located outside Europe and the US are not included within the financial statements of Alexander McQueen Trading Ltd. The retail activity has good sales densities when benchmarked to other leading luxury brands and has achieved strong growth over the last years.

Alongside our successful retail business in the UK the brand has continued developing a franchise network with a strong presence in the Middle East and Asia. Each franchise was carefully selected to ensure the continued integrity and success of the Alexander McQueen and McQ brands. As of December 2013, the franchise network comprised 19 stores, including openings in Abu Dhabi for AMQ, and Shanghai, Beijing and Seoul for McQ.

Shop-in-shop concepts have also been opened globally with key wholesale clients including Selfridges, Harvey Nichols and Harrods in London, Joyce in Hong Kong, Saks 5th Avenue in New York and Tsum in Moscow.

In 2013 the brand achieved an outstanding global distribution performance leading to record sales.

### Risks & Uncertainties

The principal risk to the business remains the unpredictable market conditions that first arose following the global financial crisis in 2008 and 2009 and which have continued throughout 2010 to 2013.

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. Moreover, Sarah Burton's unanimously acclaimed collections confirmed the brand deals appropriately with this risk.

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

The excellent performance achieved by the brand on a global level in 2013, the growth enjoyed over the first months of 2014, the continuous development of the Franchise and Directly Operated Store networks (Alexander McQueen opened a first flagship store in Tokyo and McQ Franchises opened in Dubai, Hong Kong, Jakarta and Chengdu over the first half of 2014) as well as the Fragrance license agreement entered into with P&G Prestige in June 2013 (new fragrance to be launched in 2015) show the growing interest in the brand. 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.

# **Alexander McQueen Trading Limited**

## **Directors' report**

### **Principal activity**

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

### **Results and dividends**

The company made a loss before tax for the year of £1,615,436 (2012: profit of £3,785,235). The Directors do not recommend the payment of a dividend (31st December 2012 - nil).

### **Financial Instruments**

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

The company operates within the United Kingdom and transactions are denominated in a mixture of Sterling, Euros and US Dollars. 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.

### **Directors**

The directors of the company during the year ended 31 December 2013 and up to the date of signing the Directors' Report were as follows:

B Sackebandt (resigned 18 August 2013)

J Cantegreil

J Akeroyd

B D van Holderbeke (appointed 18 August 2013)

### **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 and charitable contributions**

The company has not made any political or charitable contributions during the year (2012: nil)

### **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.

# 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, the company's intermediate parent company. Gucci Group NV has provided Alexander McQueen Trading Ltd 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.

Strategic report and directors' report approved by the Board of Directors and signed on behalf of the Board

Bryan van Holderbeke  
Director

22<sup>nd</sup> September 2014



Company registration number: 04438273

## **Alexander McQueen Trading Limited**

### **Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements**

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).

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 2013 set out on pages 9 to 22. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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 (APB's) 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 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 2013 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 Startegic 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**

## **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.



**Jeremy Hall (Senior Statutory Auditor)**

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

22/09/ 2014

# Alexander McQueen Trading Limited

## Profit and loss account For year ended 31 December 2013

	Note	2013 Total £	2013 Total £	2012 Total £	2012 Total £
<b>Turnover</b>	3				
Continuing operations		58,551,316		48,192,780	
Discontinued operations		2,001,180		4,152,873	
		<hr/>	<hr/>	<hr/>	<hr/>
			<b>60,552,496</b>		<b>52,345,654</b>
<b>Cost of Sales</b>			(40,844,559)		(33,001,427)
			<hr/>		<hr/>
<b>Gross Profit</b>			<b>19,707,937</b>		<b>19,344,227</b>
<b>Administrative Expenses</b>					
Continuing operations		(20,488,950)		(14,310,022)	
Discontinued operations		(666,777)		(1,102,798)	
		<hr/>	<hr/>	<hr/>	<hr/>
			(21,155,727)		(15,412,820)
<b>Operating (loss)/profit</b>	5				
Continuing operations		(2,099,161)		2,745,071	
Discontinued operations		651,371		1,186,335	
		<hr/>	<hr/>	<hr/>	<hr/>
			<b>(1,447,790)</b>		<b>3,931,406</b>
Interest receivable and similar income	6		1,654		2,243
Interest payable and similar charges	7		(169,300)		(148,414)
			<hr/>		<hr/>
<b>(Loss)/profit on ordinary activities before tax</b>			<b>(1,615,436)</b>		<b>3,785,235</b>
Tax credit/(charge) on loss/profit on ordinary activities	8		240,921		(1,922,212)
			<hr/>		<hr/>
<b>Retained (loss)/profit for the financial year</b>	15		<b>(1,374,515)</b>		<b>1,863,023</b>
			<hr/> <hr/>		<hr/> <hr/>

Notes from page 12-22 form an integral part of these financial statements.

## Alexander McQueen Trading Limited

### Statement of Total Recognised Gains and Losses For year ended 31 December 2013

	Year Ended 31 December 2013 £	Year Ended 31 December 2012 £
(Loss)/profit for the financial year	(1,374,515)	1,863,023
Foreign exchange loss/(gain)	27,618	(70,079)
<b>Total recognised gains and losses for the financial year</b>	<b>(1,346,897)</b>	<b>1,792,944</b>

Notes from page 12-22 form an integral part of these financial statements.

# Alexander McQueen Trading Limited

## Balance sheet For year ended 31 December 2013

	Note	31 December 2013 £	31 December 2012 £
<b>Fixed assets</b>			
Tangible assets	9	15,093,311	8,166,811
Investments	10	1,389,294	-
		<b>16,482,605</b>	<b>8,166,811</b>
<b>Current assets</b>			
Stocks	11	12,219,868	9,375,733
Debtors	12	15,710,872	10,407,707
Cash at bank and in hand		94,716	2,020,258
		<b>28,025,456</b>	<b>21,803,698</b>
<b>Creditors</b>			
Amounts falling due within one year	13	<b>(42,012,159)</b>	<b>(26,127,710)</b>
<b>Net current liabilities</b>		<b>(13,986,703)</b>	<b>(4,324,012)</b>
<b>Total assets less current liabilities</b>		<b>2,495,902</b>	<b>3,842,799</b>
<b>Net assets</b>		<b>2,495,902</b>	<b>3,842,799</b>
<b>Capital and reserves</b>			
Called up share capital	14	1	1
Profit and loss account	15	2,495,901	3,842,798
<b>Total equity shareholders' funds</b>	15	<b>2,495,902</b>	<b>3,842,799</b>

These financial statements were approved by the Board of Directors on 22/09/2014

Signed on behalf of the Board of Directors

Bryan van Holderbeke  
Director

Company registration number: 04438273

Notes from pages 12-22 form an integral part of these financial statements.

# **Alexander McQueen Trading Limited**

## **Notes to the accounts**

**For year ended 31 December 2013**

### **1. Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Under Financial Reporting Standard No. 1 (Revised), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly-owned subsidiary of an EC parent undertaking.

Under Financial Reporting Standard No. 8, the Company has taken advantage of the exemption not to disclose transactions or balances with entities which are part of the Group on the grounds that it is a wholly owned subsidiary of an EC parent undertaking, the accounts for which are publicly available.

### **Basis of preparation**

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, and under the historical cost accounting rules.

As the company is consolidated within the accounts of Kering Holland NV, it has taken advantage of the exemption provided in s400 of the Companies Act 2006 not to prepare group accounts. Therefore, these financial statements present information about the company as an individual undertaking and not about its group.

### **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 Ltd 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.

### **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 For year ended 31 December 2013

### 1. Accounting policies (continued)

#### Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. 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 Total Recognised Gains and Losses.

#### Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law.

Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### 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

#### Stocks

Stocks are stated at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

#### Operating leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

#### Pension scheme arrangements

The company contributes to employees' personal pension schemes. Contributions are charged to the profit and loss account in the period in which they are made.

# Alexander McQueen Trading Limited

## Notes to the accounts

For year ended 31 December 2013

### 2. Analysis of continuing and discontinued operations

On 8 July 2013 the company sold its Italian branch to Alexander McQueen Italia SRL, 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. There is no gain or loss arising on the disposal of this branch.

	Continuing Operations	Discontinued Operations	2013 Total £	Continuing Operations	Discontinued Operations	2012 Total £
Turnover	58,551,316	2,001,180	60,552,496	48,192,780	4,152,873	52,345,653
Cost of Sales	(40,161,526)	(683,033)	(40,844,559)	(31,137,687)	(1,863,740)	(33,001,427)
Gross Profit	18,389,790	1,318,147	19,707,937	17,055,093	2,289,133	19,344,226
Administrative Expenses	(20,488,950)	(666,777)	(21,155,727)	(14,310,022)	(1,102,798)	(15,412,820)
Operating (loss)/ profit	(2,099,160)	651,370	(1,447,790)	2,745,071	1,186,335	3,931,406

### 3. Turnover

	Year Ended 31 December 2013 £	Year Ended 31 December 2012 £
Trading activities within Europe	11,982,278	13,957,826
Trading activities within North America	16,677,201	15,971,759
Distribution activities within North America	31,893,017	22,416,068
	60,552,496	52,345,653

The company's turnover is generated entirely by the company's principal activities as outlined in the directors' report.



# Alexander McQueen Trading Limited

## Notes to the accounts For year ended 31 December 2013

### 4. Information regarding directors and employees

#### Directors' Emoluments

The Directors who held office during the year received no emoluments in respect of their services to the company (31 December 2012 – nil).

#### Average number of persons employed (excluding executive directors) during the year:

	Year Ended 31 December 2013 No.	Year Ended 31 December 2012 No.
Selling	99	77
Administration	2	2
	<hr/>	<hr/>
	101	79
	<hr/>	<hr/>

#### Staff costs during the year

	Year Ended 31 December 2013 £	Year Ended 31 December 2012 £
Wages and salaries	4,437,046	4,301,210
Social security costs	559,855	797,266
Other pension costs	85,105	115,468
	<hr/>	<hr/>
	5,082,006	5,213,944
	<hr/>	<hr/>

### 5. Operating (loss)/profit

	Year Ended 31 December 2013 £	Year Ended 31 December 2012 £
<b>Operating (loss)/profit is stated after charging:</b>		
Depreciation charge for the year	1,567,180	820,823
Loss on disposal of tangible assets	-	350,262
Operating leases	3,888,721	3,294,857
Auditors' remuneration:		
audit fees	42,255	44,964
	<hr/>	<hr/>

# Alexander McQueen Trading Limited

## Notes to the accounts For year ended 31 December 2013

### 6. Interest receivable and similar income

	<b>Year Ended 31 December 2013 £</b>	<b>Year Ended 31 December 2012 £</b>
Bank interest receivable	1,654	2,243
	<hr/>	<hr/>
	1,654	2,243
	<hr/>	<hr/>

### 7. Interest payable and similar charges

	<b>Year Ended 31 December 2013 £</b>	<b>Year Ended 31 December 2012 £</b>
Interest payable to group companies	169,300	148,414
	<hr/>	<hr/>
	169,300	148,414
	<hr/>	<hr/>

# Alexander McQueen Trading Limited

## Notes to the accounts For year ended 31 December 2013

### 8. Tax on profit on ordinary activities

#### (a) Analysis of tax charge for the year

	Year Ended 31 December 2013 £	Year Ended 31 December 2012 £
<b>Current tax</b>		
<i>UK Corporation Tax</i>		
UK Corporation Tax at 23.25% (2012: 24.5%)	-	1,106,129
Underprovision in prior year corporation tax	61,138	132,808
Double tax relief	(57,419)	(1,112,943)
	<hr/>	<hr/>
	3,719	125,994
 <b>Foreign Tax</b>		
Current tax on income for the period	130,857	1,680,359
(Over)/underprovision in prior year corporation tax	(375,497)	127,673
	<hr/>	<hr/>
Total actual amount of current tax	(240,921)	1,934,026
	<hr/>	<hr/>
<b>Deferred tax</b>		
Tax effect of timing differences due to:		
Capital allowances less than depreciation	-	(11,814)
	<hr/>	<hr/>
Total actual amount of deferred tax	-	(11,814)
	<hr/>	<hr/>
 <b>Total tax charge for the year</b>	<hr/> (240,921) <hr/>	<hr/> 1,922,212 <hr/>

# Alexander McQueen Trading Limited

## Notes to the accounts

### For year ended 31 December 2013

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is lower (2012: higher) than that resulting from applying the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are explained below:

	Year Ended 31 December 2013 £	Year Ended 31 December 2012 £
<b>(Loss)/profit on ordinary activities before taxation</b>	(1,615,436)	3,785,235
Current tax (credit)/charge		
Tax on loss on ordinary activities at standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)	(375,589)	927,383
<b>Effects of:</b>		
Disallowed expenses	1,039	166,933
(Over)/under provision in prior year corporation tax	(314,358)	260,481
Capital allowances (in excess of)/less than depreciation	(56,002)	11,814
Overseas tax charged at increased rates	74,049	567,415
Tax losses not recognised	429,941	-
Total actual amount of current tax	(240,921)	1,934,026

#### (c) Deferred tax

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

	Year Ended 31 December 2013 £	Year Ended 31 December 2013 £	Year Ended 31 December 2012 £	Year Ended 31 December 2011 £
Tax effect of timing differences due to:	<b>Recognised</b>	<b>Unrecognised</b>	<b>Recognised</b>	<b>Unrecognised</b>
Depreciation in excess of capital allowances	-	-	49,196	-
Tax losses carried forward	-	388,885	-	-
	-	388,885	49,196	-

The tax rate used for tax on results on ordinary activities is the standard rate for UK corporation tax. With the enactment of legislation in the UK to reduce the corporation tax rate to 21% from 1 April 2014, the tax rate applied to calculate the UK deferred tax balance was reduced from 23% to 21%.

The deferred tax asset in relation to tax losses carried forward has not been recognised as there is insufficient evidence that the asset will be recovered through future taxable profits.

# Alexander McQueen Trading Limited

## Notes to the accounts For year ended 31 December 2013

### 9. Tangible Fixed Assets

<b>Cost</b>	<b>Leasehold Improvements £</b>	<b>Fixtures and Fittings £</b>	<b>Computer Equipment £</b>	<b>Total £</b>
At 1 January 2013	10,764,626	2,362,663	455,297	13,582,586
Exchange Differences	(80,603)	(6,279)	(4,788)	(91,670)
Additions	7,057,162	1,915,715	192,003	9,164,880
Disposals	(2,083,580)	(393,853)	(232,160)	(2,709,593)
At 31 December 2013	15,657,605	3,878,246	410,352	19,946,203
<b>Accumulated depreciation</b>				
At 1 January 2013	4,688,980	397,273	329,522	5,415,775
Exchange Differences	(41,147)	(3,482)	(3,996)	(48,625)
Disposals	(1,714,323)	(155,721)	(211,394)	(2,081,438)
Charge for the year	1,086,086	428,444	52,650	1,567,180
At 31 December 2013	4,019,596	666,514	166,782	4,852,892
<b>Net book value</b>				
At 31 December 2013	11,638,009	3,211,732	243,570	15,093,311
At 31 December 2012	6,075,646	1,965,390	125,775	8,166,811

### 10. Investments

	<b>At 31 December 2013 £</b>	<b>At 31 December 2012 £</b>
Cost at 1 January	-	-
Additions	1,389,294	-
Cost at 31 December	1,389,294	-

In 2013 the company invested in 100% of the share capital of Alexander McQueen Italia SRL, a company incorporated in Italy. The principal activity of the company is to operate the Alexander McQueen brand's stores in Italy.

# Alexander McQueen Trading Limited

## Notes to the accounts For year ended 31 December 2013

### 11. Stocks

	At 31 December 2013 £	At 31 December 2012 £
Finished goods and goods for resale	12,219,868	9,375,733

### 12. Debtors

	At 31 December 2013 £	At 31 December 2012 £
Trade debtors	6,361,989	4,908,050
Amounts due from group undertakings	6,692,485	3,429,905
Other debtors	1,404,036	927,714
Corporation tax recoverable	-	65,199
Deferred tax (note 8)	-	49,196
Prepayments	1,252,362	1,027,643
	15,710,872	10,407,707

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

	At 31 December 2013 £	At 31 December 2012 £
Trade creditors	-	2,798
Amounts owed to group undertakings	34,748,772	21,514,046
Other taxes and social security	311,031	202,655
Other creditors	1,396,768	1,214,312
Accruals and deferred income	5,555,588	3,193,899
	42,012,159	26,127,710

# Alexander McQueen Trading Limited

## Notes to the accounts For year ended 31 December 2013

### 14. Called up share capital

	At 31 December 2013 £	At 31 December 2012 £
<b>Authorised</b>		
1,000 ordinary shares of £1 each	1,000	1,000
<b>Called up, allotted and fully paid</b>		
1 ordinary share of £1 each	1	1

### 15. Combined reconciliation of movements in equity shareholders' deficit and statement of movements on reserves

	Issued Share Capital £	Profit & Loss Reserve £	Total 31 December 2013 £	Total 31 December 2012 £
Opening equity				
- shareholders' funds/(deficit)	1	3,842,798	3,842,799	2,049,855
(Loss)/profit for the financial year	-	(1,374,515)	(1,374,515)	1,863,023
Exchange (loss)/gain	-	27,618	27,618	(70,079)
Closing equity				
- shareholders' funds	1	2,495,901	2,495,902	3,842,799

# Alexander McQueen Trading Limited

## Notes to the accounts For year ended 31 December 2013

### 16. Financial commitments

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land &amp; Buildings</b>	
	<b>31 December 2013</b>	<b>31 December 2012</b>
	<b>£</b>	<b>£</b>
Expiring in less than one year	-	312,140
Expiring in 1-5 years	1,193,635	530,465
Expiring after 5 years	4,575,979	6,682,294
	<hr/>	<hr/>
	5,769,614	7,524,899
	<hr/>	<hr/>

### 17. Ultimate holding company holding company and controlling party

At the year end, the immediate parent company was Birdswan Solutions Limited, a company incorporated in Great Britain.

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 from 10 Avenue Hoche, 75381, Paris Cedex 08, France.