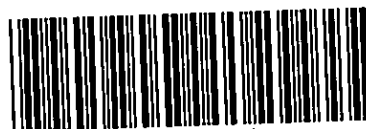


**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012
FOR
FARFETCH UK LTD
FORMERLY FARFETCH.COM LIMITED**

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COMPANIES HOUSE

**Crowe Clark Whitehill LLP
Chartered Accountants and Registered Auditors
10 Palace Avenue
Maidstone
Kent
ME15 6NF**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

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FARFETCH UK LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2012

DIRECTORS: J M F Neves
F Court

SECRETARY: Wilton Corporate Services Limited

REGISTERED OFFICE: 26 Grosvenor Street
Mayfair
London
W1K 4QW

REGISTERED NUMBER: 06400760 (England and Wales)

AUDITORS: Crowe Clark Whitehill LLP
Chartered Accountants and Registered Auditors
10 Palace Avenue
Maidstone
Kent
ME15 6NF

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2012**

The directors present their report with the financial statements of the company for the year ended 31 December 2012

CHANGE OF NAME

The company passed a special resolution on 21 June 2013 changing its name from Farfetch Com Limited to Farfetch UK Ltd

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of marketing and providing editorial and merchant facilities

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2012 to the date of this report

J M F Neves
F Court

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2012**

AUDITORS

In accordance with section 485 of the Companies Act 2006 a resolution to reappoint Crowe Clark Whitehill LLP will be put to the Annual General Meeting

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

ON BEHALF OF THE BOARD:



N Mitchell - For and on behalf of
Wilton Corporate Services Limited - Secretary

Date 25 September 2013

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FARFETCH UK LTD

We have audited the financial statements of Farfetch UK Ltd for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes numbered 1 to 15

The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities)

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors' Report and any other surrounding information to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion, the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
FARFETCH UK LTD**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors report

Keith Newman
Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
Maidstone

Date 26 September 2013

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012**

		Year Ended 31 12 12 £	Period 1 7 10 to 31 12 11 £
	Notes		
TOTAL TRANSACTION VALUE	2	<u>47,482,499</u>	<u>22,021,418</u>
TURNOVER	2	11,550,914	4,889,960
Cost of sales		<u>(5,378,877)</u>	<u>(2,180,221)</u>
GROSS PROFIT		6,172,037	2,709,739
Administrative expenses		<u>(9,537,939)</u>	<u>(6,923,113)</u>
		(3,365,902)	(4,213,374)
Other operating income		<u>431,881</u>	<u>392,611</u>
OPERATING LOSS	3	(2,934,021)	(3,820,763)
Exceptional cost	4	<u>-</u>	<u>(3,601,867)</u>
		(2,934,021)	(7,422,630)
Interest receivable and similar income		<u>850</u>	<u>300</u>
		(2,933,171)	(7,422,330)
Interest payable and similar charges		<u>(107,601)</u>	<u>(81,822)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(3,040,772)	(7,504,152)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u>(3,040,772)</u>	<u>(7,504,152)</u>

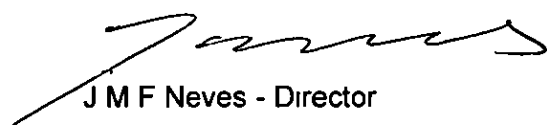
The notes on pages 8 to 12 form part of these financial statements

BALANCE SHEET
31 DECEMBER 2012

	Notes	£	2012	£	2011	£
FIXED ASSETS						
Tangible assets	6		217,897		12,394	
Investments	7		<u>206,236</u>		<u>206,236</u>	
			424,133		218,630	
CURRENT ASSETS						
Debtors	8	6,686,568		2,263,043		
Cash at bank and in hand		<u>1,149,993</u>		<u>1,786,888</u>		
		7,836,561		4,049,931		
CREDITORS						
Amounts falling due within one year	9	<u>7,044,117</u>		<u>3,253,108</u>		
NET CURRENT ASSETS			<u>792,444</u>		<u>796,823</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			1,216,577		1,015,453	
CREDITORS						
Amounts falling due after more than one year	10		<u>12,654,607</u>		<u>9,412,711</u>	
NET LIABILITIES			<u>(11,438,030)</u>		<u>(8,397,258)</u>	
CAPITAL AND RESERVES						
Called up share capital	11		1		1	
Profit and loss account	12		<u>(11,438,031)</u>		<u>(8,397,259)</u>	
SHAREHOLDERS' FUNDS			<u>(11,438,030)</u>		<u>(8,397,258)</u>	

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

The financial statements were approved by the Board of Directors on 25 September 2013 and were signed on its behalf by


J M F Neves - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial reporting standard for Smaller Entities (effective April 2008)

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors confirm that they consider that the going concern basis remains appropriate. The directors have taken notice of the Financial Reporting Council guidance 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009' which requires the reasons for this decision to be explained.

The company continues to rely upon the funding from its parent company, Farfetch com Ltd, a company registered in the Isle of Man. A letter of support has been obtained from the company's parent company to confirm that they will not demand repayment of the intercompany debt for at least 12 months from the date the accounts are signed. The directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook and have continued to adopt the going concern basis of accounting in preparing the annual financial statements based upon its current forecasts and cash and financing facilities.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Turnover

Total transaction value (TTV) which is stated net of value added tax, does not represent the Company's statutory turnover. TTV represents the invoice price at which the goods and services have been sold to the customer.

Where the Company acts as a principal and purchases the products or services for resale, turnover represents gross invoice value. Where the Company acts as agent and does not take ownership of the products or services being sold, turnover represents commission earned.

Turnover represents the amounts derived from the provision of goods and services which fall within Company's ordinary activities, stated net of value added tax.

Turnover is recognised at the point the product is despatched to the customer.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Improvements to property	- 20% on cost
Fixtures and fittings	- 25% on cost
Computer equipment	- 33% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

1 ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Investments

Investments are shown at cost less any provision for impairment.

2 TURNOVER

Total transaction value (TTV) and turnover for the current year can be analysed, by geographical location as follows:

	Year Ended 31 12 12		Period 1 7 10 to 31 12 11	
	TTV £	Turnover £	TTV £	Turnover £
UK	6,089,538	1,747,343	4,263,183	1,333,288
EU	11,920,132	7,977,316	7,209,332	2,976,905
Rest of World	<u>29,472,829</u>	<u>1,826,255</u>	<u>10,548,903</u>	<u>579,767</u>
	<u>47,482,499</u>	<u>11,550,914</u>	<u>22,021,418</u>	<u>4,889,960</u>

3 OPERATING LOSS

The operating loss is stated after charging/(crediting)

	Year Ended 31 12 12 £	Period 1 7 10 to 31 12 11 £
Auditors remuneration	16,500	14,500
Depreciation - owned assets	8,603	4,131
Foreign exchange differences	(431,881)	(362,929)
Rental of plant and machinery	137,944	58,398
Other operating leases	<u>304,923</u>	<u>395,388</u>
Directors' remuneration and other benefits etc	<u>50,000</u>	<u>75,000</u>

4 EXCEPTIONAL ITEMS

During the prior period, the Company agreed that all rights under the Product License and Marketing Support Agreements with Shamrock Solutions Limited should terminate and the agreements should cease to have any effect. The consideration payable to Shamrock Solutions Limited for effecting the termination was the sum of £3,600,000.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

5 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2012 nor for the period ended 31 December 2011

6 TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2012	-	16,525	-	16,525
Additions	<u>176,156</u>	<u>28,021</u>	<u>9,929</u>	<u>214,106</u>
At 31 December 2012	<u>176,156</u>	<u>44,546</u>	<u>9,929</u>	<u>230,631</u>
DEPRECIATION				
At 1 January 2012	-	4,131	-	4,131
Charge for year	<u>3,146</u>	<u>5,457</u>	<u>-</u>	<u>8,603</u>
At 31 December 2012	<u>3,146</u>	<u>9,588</u>	<u>-</u>	<u>12,734</u>
NET BOOK VALUE				
At 31 December 2012	<u>173,010</u>	<u>34,958</u>	<u>9,929</u>	<u>217,897</u>
At 31 December 2011	<u>-</u>	<u>12,394</u>	<u>-</u>	<u>12,394</u>

7 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2012 and 31 December 2012	<u>206,236</u>
NET BOOK VALUE	
At 31 December 2012	<u>206,236</u>
At 31 December 2011	<u>206,236</u>

The company's investments at the balance sheet date in the share capital of companies include the following

Farfetch Portugal – Unipessoal Lda (formerly Grey Matter - Informacao E Tecnologia Unipessoal LDA)

Country of incorporation Portugal

Nature of business Provider of office support services

	% holding	2012 £	31 12 11 £
Class of shares			
Ordinary	100 00		
Aggregate capital and reserves		275,243	237,527
Profit for the year		<u>37,716</u>	<u>2,241</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012**

8 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Other debtors	137,894	30,000
Chargebacks	90,030	162,371
Amounts owed by group undertakings	4,893,043	1,369,335
Rent deposit	84,732	9,830
EC VAT to reclaim	46,421	42,181
VAT	197,692	55,137
Prepayments and accrued income	<u>1,236,756</u>	<u>594,189</u>
	<u>6,686,568</u>	<u>2,263,043</u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Bank loans and overdrafts	1,484,848	363,636
Trade creditors	1,112,192	480,383
Client Deposits	3,719,765	2,012,285
Amounts owed to group undertakings	68,223	93,459
Social security and other taxes	64,541	27,295
Net wages	115,589	65,656
Accruals and deferred income	<u>478,959</u>	<u>210,394</u>
	<u>7,044,117</u>	<u>3,253,108</u>

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012	2011
	£	£
Bank loans - 1-2 years	-	363,636
Bank loans - 2-5 years	-	121,213
Amounts owed to group undertakings	<u>12,654,607</u>	<u>8,927,862</u>
	<u>12,654,607</u>	<u>9,412,711</u>

A charge was created on 13 April 2011 by which any amount, whether actual or contingent, owing by the company to Silicon Valley Bank gives the Bank continuing security by way of a fixed and floating charge over the assets of the company

The Company was in breach of a covenant of the loan agreement in respect of the limits of subsidiary activities during the year. The bank agreed to waive the breach on 25 March 2013. The waiver was made without prejudice to any rights the Bank may have in respect of any other historic or future defaults by the Company.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

11 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	2012 £	2011 £
1	Ordinary		<u>1</u>	<u>1</u>

12 RESERVES

	Profit and loss account £
At 1 January 2012	(8,397,259)
Deficit for the year	<u>(3,040,772)</u>
At 31 December 2012	<u>(11,438,031)</u>

13 RELATED PARTY DISCLOSURES

During the period the company incurred fees from WiltonGroup Ms N Hewson serves as a director to the parent company, Farfetch com Limited and is a director of WiltonGroup The fees incurred were in respect of outsourced accounting, company secretarial and taxation services of £34,731 (2011 £55,729) There was no balance outstanding as at the year end date

Exemption from disclosing transactions with other group companies has been claimed in accordance with FRS 8

14 ULTIMATE CONTROLLING PARTY

The controlling party is Farfetch com Limited

The company is a 100% subsidiary of Farfetch com Limited Farfetch com Limited is a company registered in Isle of Man and is considered to be the controlling party of the company

Farfetch com Limited prepares consolidated financial statements and copies can be obtained from Farfetch com Limited, Grosvenor House, 66-67 Athol Street, Douglas, Isle of Man, IM1 1JE

15 LEASING AGREEMENTS

Future minimum rentals payable under non cancellable operating leases as at the year end are as follows

	2012	2011
Within one year	8,125	-
After one year but not more than five years	141,220	32,500
More than five years	-	-