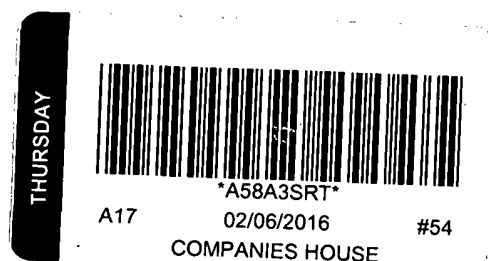


Company Registration No. 01771128 (England and Wales)

**CULTURESTORE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**



# CULTURESTORE LIMITED

## COMPANY INFORMATION

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<b>Director</b>	S Lever
<b>Company number</b>	01771128
<b>Registered office</b>	Churchill House 137-139 Brent Street London NW4 4DJ
<b>Auditors</b>	Paragon Partners Limited Churchill House 137-139 Brent Street London NW4 4DJ
<b>Business address</b>	Deane House Studios Greenwood Place Highgate Road London NW5 1LB

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# **CULTURESTORE LIMITED**

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# **CULTURESTORE LIMITED**

## **DIRECTOR'S REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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The director presents his annual report and financial statements for the year ended 31 December 2015.

### **Principal activities**

The principal activity of the company continued to be that of clothing manufacturers and importers.

### **Director**

The director who held office during the year and up to the date of signature of the financial statements was as follows:

S Lever

### **Auditors**

The auditors, Paragon Partners Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of disclosure to auditors**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

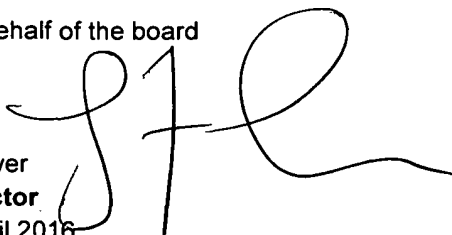
This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

S Lever

**Director**

6 April 2016

A large, stylized handwritten signature in black ink, appearing to be 'S Lever', is written over the printed name and date.

# **CULTURESTORE LIMITED**

## **DIRECTOR'S RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2015***

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The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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. He is 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.

# **CULTURESTORE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF CULTURESTORE LIMITED**

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We have audited the financial statements of Culturestore Limited for the year ended 31 December 2015 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

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

#### **Respective responsibilities of director and auditors**

As explained more fully in the Director's Responsibilities Statement set out on page 1, the director is 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 director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion, based on the work undertaken in the course of our audit, the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Director's Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Director's Report.

# **CULTURESTORE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF CULTURESTORE LIMITED**

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#### **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 director was 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 director's report and from preparing a strategic report.

**Anthony Epstein (Senior Statutory Auditor)**  
**for and on behalf of Paragon Partners Limited**

7 April 2016

**Chartered Accountants**  
**Statutory Auditor**

Churchill House  
137-139 Brent Street  
London  
NW4 4DJ

# CULTURESTORE LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover		6,563,813	6,410,384
Cost of sales		(5,079,355)	(4,986,648)
<b>Gross profit</b>		<b>1,484,458</b>	<b>1,423,736</b>
Distribution costs		(288,679)	(349,809)
Administrative expenses		(690,221)	(909,863)
Other operating income		111,290	47,500
<b>Operating profit</b>	<b>2</b>	<b>616,848</b>	<b>211,564</b>
Interest payable and similar charges		-	(1,710)
Amounts written off investments		1,254	3,157
<b>Profit before taxation</b>		<b>618,102</b>	<b>213,011</b>
Taxation		(92,081)	(8,878)
<b>Profit for the financial year</b>	<b>10</b>	<b>526,021</b>	<b>204,133</b>
<b>Total comprehensive income for the year</b>		<b>526,021</b>	<b>204,133</b>



# CULTURESTORE LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
<b>Fixed assets</b>					
Tangible assets	4		35,145		42,982
Investments	5		33,409		32,155
			<u>68,554</u>		<u>75,137</u>
<b>Current assets</b>					
Stocks		29,702		80,269	
Debtors	6	960,209		1,340,748	
Cash at bank and in hand		1,917,815		1,285,908	
		<u>2,907,726</u>		<u>2,706,925</u>	
<b>Creditors: amounts falling due within one year</b>	7	(521,012)		(851,604)	
Net current assets			<u>2,386,714</u>		<u>1,855,321</u>
<b>Total assets less current liabilities</b>			<u>2,455,268</u>		<u>1,930,458</u>
<b>Provisions for liabilities</b>	8		(5,718)		(6,929)
<b>Net assets</b>			<u><u>2,449,550</u></u>		<u><u>1,923,529</u></u>
<b>Capital and reserves</b>					
Called up share capital	9		100		100
Profit and loss reserves	10		2,449,450		1,923,429
<b>Total equity</b>			<u><u>2,449,550</u></u>		<u><u>1,923,529</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and signed by the director and authorised for issue on 6 April 2016

  
S Lever  
Director

Company Registration No. 01771128

# CULTURESTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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### 1 Accounting policies

#### Company information

Culturestore Limited is a private company limited by shares incorporated in England and Wales. The registered office is Churchill House, 137-139 Brent Street, London, NW4 4DJ.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	20% reducing balance
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#### 1.4 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# CULTURESTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

---

#### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# CULTURESTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

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#### 1 Accounting policies

(Continued)

##### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### ***Classification of financial liabilities***

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

#### 1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

# CULTURESTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

#### 1 Accounting policies

(Continued)

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.10 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

#### 2 Operating profit

	2015	2014
	£	£
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditors for the audit of the company's financial statements	1,850	6,377

# CULTURESTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2015 Number	2014 Number
Total	17	17

### 4 Tangible fixed assets

#### Plant and machinery etc

	£
<b>Cost</b>	
At 1 January 2015	215,598
Additions	949
At 31 December 2015	216,547
<b>Depreciation and impairment</b>	
At 1 January 2015	172,616
Depreciation charged in the year	8,786
At 31 December 2015	181,402
<b>Carrying amount</b>	
At 31 December 2015	35,145
At 31 December 2014	42,982

### 5 Fixed asset investments

	2015 £	2014 £
Investments	33,409	32,155

# CULTURESTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

<b>5</b>	<b>Fixed asset investments</b>	<b>(Continued)</b>	
	<b>Movements in fixed asset investments</b>		<b>Shares £</b>
	<b>Cost or valuation</b>		
	At 31 December 2015		32,155
	Valuation changes		1,254
	At 31 December 2015		33,409
	<b>Carrying amount</b>		
	At 31 December 2015		33,409
	At 31 December 2014		32,155
<b>6</b>	<b>Debtors</b>	<b>2015 £</b>	<b>2014 £</b>
	<b>Amounts falling due within one year:</b>		
	Trade debtors	888,917	1,253,129
	Amounts due from group undertakings	28,801	20,831
	Other debtors	42,491	66,788
		960,209	1,340,748
<b>7</b>	<b>Creditors: amounts falling due within one year</b>	<b>2015 £</b>	<b>2014 £</b>
	Trade creditors	256,236	536,610
	Amounts due to group undertakings	29,938	128,624
	Corporation tax	93,304	8,878
	Other taxation and social security	13,712	14,275
	Other creditors	127,822	163,217
		521,012	851,604
<b>8</b>	<b>Provisions for liabilities</b>	<b>2015 £</b>	<b>2014 £</b>
	Deferred tax liabilities	5,718	6,929
		5,718	6,929

# CULTURESTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 9 Called up share capital

	2015 £	2014 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100 Ordinary shares of £1 each	100	100

### 10 Reserves

	2015 £	2014 £
At the beginning of the year	1,923,429	1,829,296
Profit for the year	526,021	204,133
Dividends	-	(110,000)
At the end of the year	2,449,450	1,923,429

### 11 Related party transactions

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

Included in other creditors is £5,902 (2014 - £2,932) owed to Twisted Sister Limited, a company in which S Lever is a director and shareholder.

### 12 Parent company

The ultimate parent company is Harvest Clothing Group Limited, a company registered in Great Britain.

Harvest Clothing Group Limited is controlled by the director S Lever.