

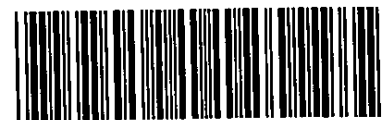
**Company Number: 01969351**

**AGNÈS B. U.K. LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

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**AGNÈS B. U.K. LIMITED**

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**AGNÈS B. U.K. LIMITED**

**Company Number: 01969351**

**COMPANY INFORMATION**

**DIRECTOR**

**E BOURGOIS**

**SECRETARY**

**REED SMITH CORPORATE SERVICES LIMITED**

**COMPANY NUMBER**

**01969351**

**REGISTERED OFFICE**

**THE BROADGATE TOWER  
THIRD FLOOR  
20 PRIMROSE STREET  
LONDON  
EC2A 2RS**

**AUDITORS**

**MAZARS LLP  
THE ATRIUM  
PARK STREET WEST  
LUTON  
BEDFORDSHIRE  
LU1 3BE**

**BANKERS**

**NATIONAL WESTMINSTER BANK PLC  
224 KINGS ROAD  
LONDON  
SW3 5XJ**

**SOLICITORS**

**MARTIN SHEPHERD & CO  
29 SOUTHBURY ROAD  
ENFIELD  
MIDDLESEX  
EN1 1YZ**

**DIRECTOR'S REPORT**

The director presents his report and financial statements for the year ended 31 December 2010

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, 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 proper accounting records which disclose with reasonable accuracy at any time the financial position for the company and to 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.

**DIRECTORS**

The following director has held office during the whole of the year from 1 January 2010 to the date of this report unless otherwise stated

E Bourgois

**PRINCIPAL ACTIVITIES**

The company Agnès B U K Limited is a fashion ready-to-wear retailer mainly established in London and with a parent company set up in Paris. The brand Agnès b exists worldwide and is represented through more than 10 subsidiaries and 260 shops.

**CHARITABLE CONTRIBUTIONS**

During the year the company made charitable donations of £28,013 (2009 £2,519)

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

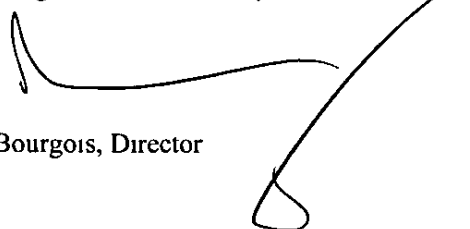
The director has taken all the necessary steps to make himself aware, as director, of any relevant audit information and to establish that the auditors are aware of that information. As far as the director is aware, there is no relevant audit information of which the company's auditors are unaware.

**AUDITORS**

There are elective resolutions in force to dispense with the holding of AGMs, the laying of accounts and annual appointment of auditors.

The directors have prepared this report in accordance with the special provisions of Statutory Instrument 2008/409 under the Companies Act 2006 relating to small companies.

Approved by the Board on 8 April 2011  
and signed on its behalf by



E Bourgois, Director

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF AGNES B. U.K. LIMITED**

We have audited the financial statements of Agnes B U K Limited for the year ended 31 December 2010 which comprise the Profit and Loss account, the Balance sheet and the related notes. 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).

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 (APB's) Ethical Standards for Auditors. This report is made solely for 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.

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

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

**Opinion on the 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 2010 and of its loss 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 the 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 (continued)**  
**TO THE MEMBERS OF AGNÈS B. U.K. 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



Lee Brook (Senior statutory auditor)  
for and on behalf of Mazars LLP, Chartered Accountants and Statutory Auditor

The Atrium  
Park Street West  
Luton  
Bedfordshire  
LU1 3BE

Date

8/4/11

**AGNÈS B. U.K. LIMITED****Company Number: 01969351****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	2010 £	2009 £
<b>TURNOVER</b>	2	3,378,561	3,656,161
Cost of sales		(1,513,984)	3,649,273
<b>GROSS PROFIT</b>		1,864,577	7,305,434
Distribution costs		(1,045,542)	(1,127,795)
Administrative expenses		(1,119,120)	(1,281,729)
<b>OPERATING (LOSS)/PROFIT</b>	3	(300,085)	4,895,910
Loss on sale of fixed assets	4	-	(11,293)
Interest receivable and similar income	5	814	89,941
Interest payable and similar charges	6	(2,544)	(316,869)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(301,815)	4,657,689
Tax on (loss)/profit on ordinary activities	8	-	-
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>	16	(301,815)	4,657,689

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

**AGNÈS B. U.K. LIMITED****Company Number: 01969351****BALANCE SHEET****AS AT 31 DECEMBER 2010**

	Notes	£	2010 £	£	2009 £	£
<b>Fixed assets</b>						
Tangible assets	9		45,909		40,491	
<b>Current assets</b>						
Stocks	10	579,389		510,186		
Debtors	11	255,907		226,672		
Cash at bank and in hand		617,916		483,677		
		<u>1,453,212</u>		<u>1,220,535</u>		
<b>Creditors: amounts falling due within one year</b>	12	<u>(1,186,849)</u>		<u>(657,406)</u>		
<b>Net current assets</b>			<u>266,363</u>		<u>563,129</u>	
<b>Total assets less current liabilities</b>			<u>312,272</u>		<u>603,620</u>	
<b>Creditors: amounts falling due after more than one year</b>	13		<u>(36,675)</u>		<u>(26,208)</u>	
			<u>275,597</u>		<u>577,412</u>	
<b>Capital and reserves</b>						
Share capital	15		500,000		500,000	
Profit and loss account	16		(224,403)		77,412	
<b>Shareholders' funds</b>	17		<u>275,597</u>		<u>577,412</u>	

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

Approved by the Board on 8 April 2011  
and signed on its behalf by

E Bourgois, Director



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

**1 ACCOUNTING POLICIES****(a) Accounting convention**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

**(b) Going concern**

The directors have received confirmation from the company's immediate parent company, CMC S A S that it does not intend to demand repayment in full of the outstanding balance due from the company to CMC S A S, which amounted to £818,001 at 31 December 2010, except to the extent that the company is in a position to pay for at least 12 months from the date of signing of the company's financial statements. The financial statements are therefore prepared on a going concern basis

**(c) Turnover**

Turnover represents the amounts invoiced less allowance for actual and expected returns, excluding value added tax, in respect of the sale of goods and services to customers.

**(d) Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Leasehold property	- over the lower of the lease term or useful economic life
Fixtures, fittings & equipment	- over 4 years
Computer equipment	- over 3 years

Impairments are assessed, where value-in-use does not support the net book amounts before any such impairments, as the higher of value-in-use and estimated recoverable amounts on the sale of such assets. Where such assets are not readily removable from the leasehold property, recoverable amounts are assumed to be the leasehold premiums that would be available in the event of the sale of the lease based on latest reliable information

**(e) Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

**(f) Stocks**

Stocks consist of finished goods held for resale. Stock is valued at the lower of cost and net realisable value

**(g) Pensions**

The pension costs charged in the financial statements represent the contributions payable by the company during the year

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

**1 ACCOUNTING POLICIES (continued)****(h) Deferred taxation**

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

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on a non-discounted basis at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

**(i) Foreign currency translation**

Stock is purchased from the parent company at a fixed exchange rate. Liabilities expressed in foreign currencies are translated into sterling at the rate ruling at the balance sheet date. Differences arising on the translation of such items is dealt with in the profit and loss account

**(j) Cash flow statement**

The company has taken advantage of the exemption, Financial Reporting Standard 1 'Cash Flow Statements', which allows small companies not to prepare a cash flow statement

**2 TURNOVER**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

**3 OPERATING (LOSS)/PROFIT**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Operating (loss)/profit is stated after charging		
Depreciation of tangible assets	41,295	53,473
Operating lease rentals - property	577,717	677,885
Auditors' remuneration for audit work	14,000	14,800
Release of impairment provision against tangible fixed assets	(40,240)	-
Write-back arising from change in assumptions regarding credit notes and gift vouchers not utilised	(81,710)	-
Exceptional credit for forgiveness of trade debt due to parent company	-	(5,457,195)
Exceptional charge for surrender of lease – early termination charge	-	70,000
	<u>          </u>	<u>          </u>

**4 LOSS ON SALE OF FIXED ASSETS**

The loss on sale of fixed assets in 2009 related to the closure of the Hampstead store

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

<b>5</b>	<b>INTEREST RECEIVABLE AND SIMILAR INCOME</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	Bank interest receivable	60	-
	Other non-intercompany interest receivable	111	-
	Gain on foreign exchange retranslation of amounts owed by or to group undertakings	643	89,941
		<u>814</u>	<u>89,941</u>
		<u><u>814</u></u>	<u><u>89,941</u></u>
<b>6</b>	<b>INTEREST PAYABLE AND SIMILAR CHARGES</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	Interest payable on non-intercompany debt	-	1,250
	Interest payable to parent undertaking	1,572	315,619
	Loss on foreign exchange retranslation of amounts owed to group undertakings	972	-
		<u>2,544</u>	<u>316,869</u>
		<u><u>2,544</u></u>	<u><u>316,869</u></u>

**7 DIRECTOR**

The director neither received nor was entitled to receive emoluments through the company in either year

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2010

8	TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES	2010 £	2009 £
	<b>Current taxation</b>		
	UK Corporation tax charge for the year	-	-
	Adjustments in respect of prior years	-	-
		<hr/>	<hr/>
	Total current tax	-	-
	<b>Deferred tax</b>		
	Origination and reversal of timing difference	-	-
		<hr/>	<hr/>
	Tax on loss on ordinary activities	-	-
		<hr/>	<hr/>

The rate of tax for the year based on the UK normal rate of corporation tax is 28% (2009 28%) The actual tax charge for the current and the previous year varies from these rates for the reasons set out in the following reconciliation

	2010 £	2009 £
(Loss)/profit on ordinary activities before tax	(301,815)	4,657,689
	<hr/>	<hr/>
Tax on (loss)/profit on ordinary activities at 28% (2009 28%)	(84,508)	1,304,153
<b>Factors affecting charge for the year:</b>		
Accelerated capital allowances	(9,074)	5,627
Expenses not deductible for tax purposes	11,165	2,962
Income not taxable	(8,822)	(1,444,365)
Unutilised tax losses	91,239	131,623
	<hr/>	<hr/>
Total actual amount of current tax	-	-
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

<b>9 TANGIBLE FIXED ASSETS</b>	<b>Land and buildings leasehold £</b>	<b>Fixtures, fittings &amp; equipment £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 January 2010	553,159	387,516	107,476	1,048,151
Additions	896	3,582	1,995	6,473
	<u>554,055</u>	<u>391,098</u>	<u>109,471</u>	<u>1,054,624</u>
<b>Depreciation</b>				
At 1 January 2010	537,373	365,774	104,513	1,007,660
Charge for the year	9,522	29,551	2,222	41,295
Impairment release and transfers	(5,532)	(34,913)	205	(40,240)
	<u>541,363</u>	<u>360,412</u>	<u>106,940</u>	<u>1,008,715</u>
<b>Net book amount</b>				
At 31 December 2010	<u>12,692</u>	<u>30,686</u>	<u>2,531</u>	<u>45,909</u>
At 31 December 2009	<u>15,786</u>	<u>21,742</u>	<u>2,963</u>	<u>40,491</u>

The release in 2010 of a previously recognised impairment arises following return of one shop to positive net contributions to results

<b>10 STOCKS</b>	<b>2010 £</b>	<b>2009 £</b>
Finished goods and goods for resale	<u>579,389</u>	<u>510,186</u>
<b>11 DEBTORS</b>	<b>2010 £</b>	<b>2009 £</b>
Trade debtors	53,320	44,145
Amounts owed by group undertakings	-	4,582
Other debtors	15,000	24,732
Prepayments and accrued income	187,587	153,213
	<u>255,907</u>	<u>226,672</u>

Other debtors principally comprises rent deposits falling due after more than one year

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2010

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2010 £	2009 £
Trade creditors	49,608	37,438
Amounts owed to group undertakings	818,001	314,494
Other taxes and social security costs	132,682	108,775
Other creditors	65,163	125,640
Accruals and deferred income	93,283	44,206
Amounts owed to related party	28,112	26,853
	<u>1,186,849</u>	<u>657,406</u>

## 13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2010 £	2009 £
Accruals and deferred income	<u>36,675</u>	<u>26,208</u>

## 14 PROVISION FOR LIABILITIES AND CHARGES

## Deferred taxation

Deferred taxation consists of assets recognised and those not recognised in the accounts. The assets have been calculated at the normal company tax rate of 27% substantively enacted by the balance sheet date (2009 28%).

	2010 £	Asset not recognised 2009 £
Unutilised tax losses	1,357,879	1,316,931
Depreciation in excess of capital allowances	19,313	29,103
	<u>1,377,192</u>	<u>1,346,034</u>

Unrecognised deferred taxation assets could be recoverable in the event and to the extent of a return to taxable profits in the future

15 SHARE CAPITAL	2010 £	2009 £
<b>Authorised</b>		
800,000 Ordinary shares of £1 each	<u>800,000</u>	<u>800,000</u>
<b>Allotted, called up and fully paid</b>		
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

## 16 STATEMENT OF MOVEMENTS ON PROFIT AND LOSS ACCOUNT

Profit and  
loss account  
£

Balance at 1 January 2010	77,412
Loss for the financial year	(301,815)
Balance at 31 December 2010	<u>(224,403)</u>

## 17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS/(DEFICIT)

	2010 £	2009 £
(Loss)/profit for the financial year	(301,815)	4,657,689
Net movement in shareholders' funds/(deficit)	(301,815)	4,657,689
Opening shareholders' funds/(deficit)	577,412	(4,080,277)
Closing shareholders' funds	<u>275,597</u>	<u>577,412</u>

## 18 PENSION COSTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £4,862 (2009 £6,259) during the year. Contributions totalling £nil (2009 £nil) were payable to the fund at the year end and are included in creditors.

## 19 FINANCIAL COMMITMENTS

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2010 £	2009 £
Expiry date		
Within one year	-	38,144
In the second to fifth years	461,335	308,820
In over five years	60,000	60,000
	<u>521,335</u>	<u>406,964</u>

Amounts above exclude rent payable in relation to one concession store for which rent payable is based on a percentage of net sales with no minimum rent guarantee.

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

**20 RELATED PARTY TRANSACTIONS**

During the year, royalties totalling £99,840 (2009 £110,637) were payable to Mrs A Trouble in accordance with a contract signed between Mrs Trouble and Agnes b U K Limited on 1 October 1997. A creditor of £28,112 existed at 31 December 2010 (2009 creditor of £26,853).

Agnes b U K Limited has taken advantage of the exemptions conferred by Financial Reporting Standard 8 from the requirements to make full disclosures concerning related parties within the group.

**21 CONTINGENT LIABILITIES**

The 2005 and 2006 debt forgiveness agreements with Mrs Trouble (total amount of £166,270), as well as a 2004 debt forgiveness agreement from a group undertaking amounting to £1,449,215, include a reinstatement clause in the event of an improved financial situation. The directors believe that such improvement is not probable in the foreseeable future.

The 2009 debt forgiveness contains no such reinstatement clause.

**22 CONTROL**

The company is a 100% subsidiary of its immediate parent company, CMC S A S., a company incorporated in France.

The directors consider Pyramides S A S., a company incorporated in France, to be the ultimate parent company. Mrs Agnes Trouble is the controlling shareholder of Pyramides S.A.S. Pyramides S A S produces group accounts for the largest and smallest group of which the company is a member. Group accounts are available from Companies' House in Paris, France at 1 quai de la Corse, 75181 Paris, Cedex 04.