

FRED LONDRES LIMITED

Annual Report and Financial Statements

For the year ended 31 December 2020



**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2020**

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

S Gaborit
C Leung

REGISTERED OFFICE

Duval House,
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Worsley,
Manchester.
M28 3GN

BANKERS

HSBC Bank Plc
Level 18, 8 Canada Square
Canary Wharf
London
E14 5HQ

SOLICITORS

Browne Jacobson LLP
Aldwych House
81 Aldwych Road
London
WC2B 4HN

AUDITOR

Constantin
25 Hosier Lane
London
EC1A 9LQ

DIRECTOR'S REPORT

The directors present their annual report on the affairs of the company, together with the financial statements and auditors report, for the year ended 31 December 2020. The director's report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. Accordingly, no strategic report has been presented.

Principle activity

The principal activity of the company is the sale of jewellery.

Results and dividends

The company generated a profit for the year that amounted to £20,472 (2019: loss £18,694). The director's are unable to recommend payment of a dividend (2019: same).

Going concern

The financial position reflects the results of a low level of activity. One of the major impacts of the covid-19 pandemic has been the closure of the retail stores in line with the UK authorities decision for a lock down between March and June. Given the low level of profit and the prior losses made by the company, the parent company has indicated its willingness to provide continued financial support for the foreseeable future to allow the company to continue and meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. The support of the group is important to be considered in line with the covid-19 impacts on Fred UK operations. Thus the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Important events since the financial year end

There have been no significant events since the financial year end.

Brexit uncertainties

Whilst the impact of the UK's decision to exit the European Union cannot yet be fully quantified, a number of existing risks have already been identified as sensitive to Brexit and these continue to be monitored carefully, with appropriate levels of mitigating action being considered as details emerge.

Directors

The directors who served the company throughout the year and thereafter to the date of this report are listed below.

S Gaborit
C Leung

Disclosure of information to the auditor

The Directors at the date of approval of this report confirm that:

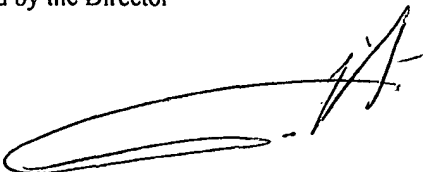
- as far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The auditors have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved and signed by the Director

S Gaborit
Director
24th September 2021



DIRECTOR'S RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual 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 the director has elected to prepare the financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. Under Company law the director must not approve the financial statements unless 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.
- State whether applicable UK Accounting Standards have been followed, subject to material departures disclosed and explained in the financial statements.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRED LONDRES LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Fred Londres Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 18 which include the statement of accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act 2006, and corporation tax; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' 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 directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Use of our report

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.



Thierry de Gennes, ACA (Senior Statutory Auditor)

For and on behalf of Constantin

Statutory Auditor

25 Hosier Lane

London

EC1A 9LQ

24th September 2021

FRED LONDRES LIMITED**INCOME STATEMENT****For the year ended 31 December 2020**

	Note	2020 £	2019 £
Revenue	4	367,767	333,519
Cost of sales		119,826	(63,657)
Gross profit		487,593	269,862
Distribution costs		(74,696)	(41,143)
Administrative expenses		(388,786)	(218,150)
Other Operating Income	15	23,854	-
Operating profit/(Loss)	5	47,966	10,568
Finance Costs	7	(20,244)	(29,262)
Profit/(Loss) before taxation		27,722	(18,694)
Tax	8	(7,250)	-
Loss for the financial year		20,472	(18,694)

All amounts are derived from continuing operations.

STATEMENT OF COMPREHENSIVE INCOME**For the year ended 31 December 2020**

There are no recognised income or expenses other than the profit for the year ended 31 December 2020 of £20,472 (2019: loss £18,694).

The notes on pages 10 to 18 form an integral part of these financial statements.

FRED LONDRES LIMITED

BALANCE SHEET As at 31 December 2020

	Note	2020 £	2019 £
Non-current assets			
Property, plant and equipment	9	100,590	152,261
Deferred tax	13	5,271	-
		<u>105,861</u>	<u>152,261</u>
Current assets			
Inventories	10	1,369,675	1,262,382
Trade and other receivables	11	329,606	510,649
Cash and bank balances		469,045	169,787
		<u>2,168,326</u>	<u>1,942,818</u>
Current liabilities			
Trade and other payables	12	(64,022)	(1,918,476)
Borrowings		(2,000,569)	-
Current tax liabilities	8	(12,521)	-
		<u>(2,077,113)</u>	<u>(1,918,476)</u>
Net assets		<u>197,075</u>	<u>176,603</u>
Equity			
Share capital	14	5,840,000	5,840,000
Retained earnings		(5,642,925)	(5,663,397)
Equity attributable to the Shareholder of the Company		<u>197,075</u>	<u>176,603</u>

The notes on pages 10 to 18 form an integral part of these financial statements.

These financial statements of Fred Londres Limited (registered number 04212094) were approved by the Director's and authorised for issue on 24th September 2021.

S Gaborit
Director



FRED LONDRES LIMITED

STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2020

	Share capital £	Retained earnings £	Total £
Balance at 1 January 2019	3,550,000	(5,644,703)	(2,094,703)
Share Issue	2,290,000	-	2,290,000
Loss for the year and total comprehensive expense	-	(18,694)	(18,694)
Balance as at 31 December 2019	5,840,000	(5,663,397)	(176,603)
Profit for the year and total comprehensive expense	-	20,472	20,472
Balance as at 31 December 2020	5,840,000	(5,642,925)	197,075

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

1. General information

FRED Londres Ltd ("the Company") is a private company limited by shares, registered in England and domiciled and incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the director's report on page 2.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

These financial statements are separate financial statements. The Company is included in the group accounts of LVMH Moët Hennessy Louis Vuitton SA ("LVMH"). The group accounts of LVMH can be obtained from 22, avenue Montaigne, 75008, Paris, France.

The Company has applied FRS 101 'Reduced Disclosure Framework' incorporating the Amendments to FRS 101 issued by the FRC in July 2015 and the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015.

2. Significant accounting policies

Basis of accounting

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, financial instruments, impairment of assets and related party transactions.

Where relevant, equivalent disclosures have been given in the group accounts of LVMH Moët Hennessy Louis Vuitton SA ("LVMH"). The group accounts of LVMH Moët Hennessy Louis Vuitton SA ("LVMH") are available to the public and can be obtained as set out in note 1.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

The significant accounting policies adopted are set out below.

Going concern

The Company made operating profit of £20,472 (2019: loss £18,694) and has net assets of £197,075 (2019: £176,603). The Company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The company has received written confirmation that it has the continued support of the ultimate parent undertaking as noted in the director's report. The company has made a profit for the year and has net current assets of £91,213. The directors have obtained assurances from the parent company, Fred Paris SA, that it will continue to provide any such financial support as maybe necessary to enable the company to pay its liabilities as they fall due for a period of at least 12 months from the date of signature of these financial statements.

One of the major impacts of the covid-19 pandemic has been the closure of the retail stores in line with the UK authority's decision for a lock down between March and June 2020 and further closures in Q4 2020. The support of the group is also important to be considered in line with the covid-19 impacts on Fred UK operations

Therefore, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

2. Significant accounting policies (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Revenue to third parties are recognised when the risks and rewards of ownership have been transferred, which is generally upon shipment to the retailer.

Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

Depreciation

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method, on the following basis:

Short-term leasehold improvements	- 20% to 33% per annum straight line
Machinery and equipment	- 15% to 33% per annum straight line
Fixtures and fittings	- 10% to 15% per annum straight line

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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 balance sheet date.

Deferred tax

Deferred income tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The measurement of deferred tax amounts depends on the way in which the Company intends to recover or settle the carrying amount of assets and liabilities and is determined using tax rates (and laws) that have been enacted, or substantially enacted, by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences and the carry-forward of unused tax losses, and of unused tax credits, can be utilised. The Company reviews its deferred tax balances at each balance sheet date to take into account factors such as the impact of changes in tax laws and the prospects of recovering deferred tax assets from deductible temporary differences and from the carry-forward of unused tax losses and of unused tax credits.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

2. Significant accounting policies (continued)

Group relief

The company and its fellow group undertakings are able to relieve their tax losses by surrendering them to other group companies where capacity to utilise those losses exists. There is an agreement between members of this group that such losses will not be paid for by the recipient company.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Company has no financial assets other than cash.

Loans and receivables

Loans and receivables are financial assets with flexed or determinable payments that are not quoted in an active market. They are included in current assets, except for those that have maturities greater than twelve months after the balance sheet date. These are classified as non-current assets. Loans and receivables are carried at amortised cost using the effective interest method.

Impairment of financial assets

Financial assets, other than those classified as fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Such financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after initial recognition of the financial asset, the estimated future cash flows of the investment have been negatively affected. Objective evidence of impairment could include default or delinquency in interest or principal payments;

For financial assets carried at amortised cost, such as loans and receivables or held-to-maturity investments, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The Company directly reduces the carrying amount of a financial asset by the amount of any impairment loss with an offsetting charge to the statement of income.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the statement of income to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities

The Company recognises all financial liabilities initially at fair value and subsequently at amortised cost, using the effective interest method. Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

3. Critical accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with FRS101 requires the Company's management to make certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Management reviews these estimates and assumptions on a regular basis to ensure their pertinence with respect to past experience and the current economic situation. Items in future financial statements could differ from current estimates as a result of changes in these assumptions. In the opinion of the director there are no estimates or assumptions that have a significant risk of causing a material adjustment. There are no critical accounting estimates and judgements made by management in the preparation of these financial statements.

Critical judgements in applying the Company's accounting policies

There are no critical accounting judgements made by management.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below;

- the determination of sales deductions, including returns, discounts, and incentives, which are recorded as a reduction in sales; and

The main assumptions made by the Company related to the estimates listed above are detailed in the respective notes to the financial statements.

4. Revenue

	2020 £	2019 £
Continuing operations		
Sales of goods	367,767	333,519
	<u>367,767</u>	<u>333,519</u>
	2020 £	2019 £
Geographical analysis by destination		
United Kingdom	367,767	333,519
	<u>367,767</u>	<u>333,519</u>

FRED LONDRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2020

5. Operating profit

Operating profit is stated after charging/(crediting):

	2020 £	2019 £
Auditor's remuneration - audit services	<u>1,480</u>	<u>2,810</u>
Depreciation of property, plant and equipment (note 9)	58,235	18,515
Cost of inventory recognised as an expense	<u>171,421</u>	<u>167,657</u>

6. Staff costs

	2020 £	2019 £
Wages and salaries	142,309	90,976
Social security costs	15,928	7,446
Staff pension contributions	8,808	1,972
Other employee benefits	<u>719</u>	<u>1,641</u>
	<u>167,765</u>	<u>102,035</u>

	2020 No.	2019 No.
The average number of employees during the year were made up as follows:		
Sales and distribution	<u>4</u>	<u>4</u>
	<u>4</u>	<u>4</u>

7. Interest payable and similar charges

	2020 £	2019 £
Interest payable to group companies	<u>20,244</u>	<u>29,262</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

8. Tax on loss

(a) Tax on profit for the year

The tax charge is made up as follows:

	2020 £	2019 £
Current tax		
UK corporation tax	12,521	-
Total current tax	<u>12,521</u>	<u>-</u>
Deferred taxation		
Current year charge	(7,195)	2,056
Prior year charge	1,924	(2,056)
Total deferred tax	<u>(5,271)</u>	<u>-</u>
Tax on profits of ordinary activities	<u>7,250</u>	<u>-</u>

(b) Factors affecting tax charge for the year

The standard rate of corporation tax in the UK of 19.0% (2019: 19.0%). The differences are explained below:

	2020 £	2019 £
Profit/(Loss) before tax	<u>27,722</u>	<u>(18,694)</u>
Profit before tax multiplied by standard rate of corporation tax in the UK of 19.0% (2019: 19.0%)	(5,267)	(3,552)
Effects of:		
Expenses not deductible for tax purposes	59	1
Rate differences on deferred tax	-	(242)
Group relief surrender	-	5,849
Adjustment to tax charge in respect of previous periods	1,924	(2,056)
Total tax for the year	<u>7,250</u>	<u>-</u>

The UK corporation tax rate was previously enacted to reduce to 17% from 1 April 2020. However, Finance Act 2020, which was substantively enacted on 11 March 2020, repealed this rate reduction and the corporation tax rate will remain at 19% from 1 April 2020. The closing deferred tax assets and liabilities have been calculated at 19%, on the basis that this is the rate at which those assets and liabilities are expected to unwind.

An increase in the UK corporation tax rate was announced in the 2021 Budget which would increase the rate to 25% from 1 April 2023. Existing temporary differences on which deferred tax has been provided may therefore unwind in future periods subject to this increased rate. The rate change has been included in Finance Bill 2021 but as this had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

FRED LONDRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2020

9. Property, plant and equipment

	IT & Office Automation	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 January 2020	10,302	160,474	170,776
Additions	0	7,456	7,456
Adjustment	(892)	-	(892)
At 31 December 2020	<u>9,410</u>	<u>167,930</u>	<u>177,341</u>
Accumulated depreciation			
At 1 January 2020	1,145	17,371	18,515
Depreciation charge for the year	3,062	55,173	58,235
At 31 December 2020	<u>4,207</u>	<u>72,543</u>	<u>76,750</u>
Carrying amount			
At 31 December 2020	<u>5,203</u>	<u>95,387</u>	<u>100,590</u>
At 31 December 2019	<u>9,158</u>	<u>143,103</u>	<u>152,261</u>

No property, plant and equipment were held under finance leases (2019: £nil).

10. Inventories

	2020	2019
	£	£
Finished goods	<u>1,369,675</u>	<u>1,262,382</u>

There is no material difference between the balance sheet value of the inventories and the replacement cost.

11. Trade and other receivables falling due within one year

	2020	2019
	£	£
Trade receivables	36,403	400,223
Amounts owed by group undertakings	293,000	104,000
Prepayments	203	6,426
	<u>329,606</u>	<u>510,649</u>

Amounts owed by group undertakings are due on demand and carry no interest.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

12. Trade and other payables falling due within one year

	2020	2019
	£	£
Trade payables	4,630	(11,110)
Amounts due to intermediate parent undertaking	8,711	1,600,212
Amounts due to fellow subsidiary undertakings	27,428	209,947
Accruals and deferred income	15,899	99,346
Other payables	7,354	20,082
	<u>64,022</u>	<u>1,918,476</u>

Amounts due to the intermediate parent undertaking relate to a balance arising as a result of cash pooling arrangements on which interest is charged at 0.4 % above LIBOR. Amounts owed to group undertakings are repayable on demand and carry no interest.

13. Deferred tax

The following are the major deferred tax assets recognised by the Company and movements thereon during the current and prior year.

The deferred tax asset comprises:

	2020	2019
	£	£
Decelerated tax depreciation	<u>5,271</u>	<u>-</u>
		Decelerated tax depreciation £
At 1 January 2019		-
Charged to profit or loss (note 8)		<u>-</u>
At 31 December 2019		-
Credited to profit or loss (note 8)		<u>(5,271)</u>
At 31 December 2020		<u>(5,271)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

14. Share capital

	No.	2020 £	No.	2019 £
Authorised, allotted, called-up and fully paid:				
Ordinary shares of £1 each	5,840,000	5,840,000	5,840,000	5,840,000

The company has one class of shares which carry full voting, dividend, and capital distribution rights, they do not confer any rights of redemption.

15. Other Income

	2020 £	2019 £
CJRS Government Grant	23,854	-
	<u>23,854</u>	<u>-</u>

The CJRS grant relates to staff who were furloughed due to Covid-19 from April to December 2020.

The company is not reliant upon government assured schemes in 2021

16. Related party transactions

The Company has taken advantage of the exemption granted by paragraph 8(k) of FRS 101 not to disclose all transactions with members of the same group.

During the year the Company made no related party transactions other than those covered by the exemption (2019: same).

17. Post Balance Sheet events

The closure of non-essential retail premises due to the ongoing Covid-19 pandemic had an impact on revenue for the period January to April 2021. Revised budgets and forecasts have been closely analysed.

18. Ultimate parent undertaking and controlling party

The Company's ultimate controlling party at the balance sheet date was LVMH Moët Hennessy Louis Vuitton SA ("LVMH"), a Company incorporated in France.

The Company's immediate parent undertaking at the balance sheet date was Fred Paris SA, a Company registered in France. The registered address of Fred Paris SA is 22, Avenue Montaigne, 75008, Paris, France.

LVMH is the largest and smallest undertaking for which consolidated financial statements are prepared. Copies of these financial statements can be obtained from 22, Avenue Montaigne, 75008, Paris, France.