

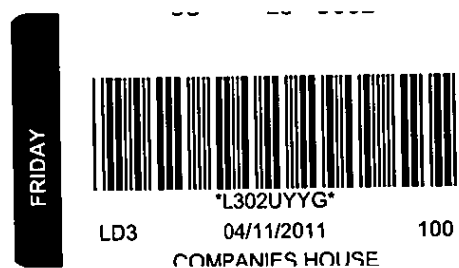
## **Kurt Geiger Finance Limited**

Report and Financial Statements

Year ended

29 January 2011

Company Number 05466773



# **Kurt Geiger Finance Limited**

**Report and financial statements  
for the year ended 29 January 2011**

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## **Directors**

D N Christilaw  
N C Clifford  
R E A Farrar Hockley  
A Lee  
S McClymont

## **Secretary and registered office**

D N Christilaw, 75 Bermondsey Street, London, SE1 3XF

## **Company number**

05466773

## **Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

# **Kurt Geiger Finance Limited**

## **Report of the directors for the year ended 29 January 2011**

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The directors present their report together with the audited financial statements for the year ended 29 January 2011

### **Results and dividends**

The profit and loss account is set out on page 5 and shows the result for the year

An interim dividend of £26,000,000 was paid up to Kurt Geiger Holdings Limited (2010 - £Nil) during the year  
The directors do not propose a payment of a final dividend

### **Principal activities**

The principal activity of the company is that of an intermediary holding company This will continue in the foreseeable future

### **Business review**

#### *Performance for year ended 29 January 2011*

The company's investments continued to perform well during the year

No provision for impairment on the investment value of the shares in group undertakings was considered necessary by directors

### **Directors**

The directors of the company during the year and subsequently were

D N Christlaw  
N C Clifford  
R E A Farrar Hockley  
A Lee  
S McClymont

The directors of the company are also directors of the ultimate parent company, KG Group Holdings Limited

# Kurt Geiger Finance Limited

## Report of the directors for the year ended 29 January 2011 (*continued*)

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### Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

### Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

### By order of the Board

Mr D N Christilaw  
Secretary

Date 27<sup>th</sup> May 2011

# Kurt Geiger Finance Limited

## Independent auditor's report

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### TO THE MEMBERS OF KURT GEIGER FINANCE LIMITED

We have audited the financial statements of Kurt Geiger Finance Limited for the year ended 29 January 2011 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).

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 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 (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

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

### 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 29 January 2011 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 the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# Kurt Geiger Finance Limited

## Independent auditor's report (*continued*)

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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

BDO LLP

*Geraint Jones (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom*

Date 27 May 2011

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

# Kurt Geiger Finance Limited

## Profit and loss account for the year ended 29 January 2011

	Note	2011 £'000	2010 £'000
<b>Income from shares in group undertakings</b>		<b>26,500</b>	-
<b>Operating profit</b>	2	<b>26,500</b>	-
Interest receivable	3	1,444	1,446
Interest payable and similar charges	4	(1,397)	(1,400)
<b>Profit on ordinary activities before taxation</b>		<b>26,547</b>	46
Taxation on profit from ordinary activities	5	7	-
<b>Profit on ordinary activities after taxation</b>	12	<b>26,540</b>	46

All amounts relate to continuing activities

All recognised gains and losses are included in the profit and loss account

The notes on pages 7 to 11 form part of these financial statements

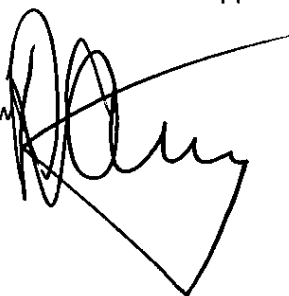
# Kurt Geiger Finance Limited

## Balance sheet at 29 January 2011

<b>Company number 05466773</b>	<b>Note</b>	<b>2011 £'000</b>	<b>2011 £'000</b>	<b>2010 £'000</b>	<b>2010 £'000</b>
<b>Fixed assets</b>					
Investments	7		31,549		30,213
<b>Debtors</b>	8	30,422		3,815	
<b>Creditors' amounts falling due within one year</b>	9	<u>(31,400)</u>		<u>(5,246)</u>	
<b>Net current liabilities</b>			<u>(978)</u>		<u>(1,431)</u>
<b>Total assets less current liabilities</b>			<u>30,571</u>		<u>28,782</u>
<b>Creditors' amounts falling due after more than one year</b>	10		<u>(17,558)</u>		<u>(16,309)</u>
<b>Net assets</b>			<u>13,013</u>		<u>12,473</u>
<b>Capital and reserves</b>					
Called up share capital	11		12,625		12,625
Profit and loss account	12		388		(152)
<b>Shareholders' funds</b>	12		<u>13,013</u>		<u>12,473</u>

The financial statements were approved by the Board and authorised for issue on 21 May 2011

D N Christilaw  
Director



The notes on pages 7 to 11 form part of these financial statements



# Kurt Geiger Finance Limited

## Notes forming part of the financial statements for the year ended 29 January 2011

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### 1 Accounting policies

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

The following principal accounting policies have been applied

#### *Basis of preparation*

Consolidated financial statements have not been prepared, as permitted by section 400 of the Companies Act 2006 as the company's ultimate parent, KG Group Holdings Limited, is incorporated in the United Kingdom and prepares group financial statements. These financial statements contain information about Kurt Geiger Finance Limited as an individual company and do not contain consolidated financial information as the parent of a group.

Kurt Geiger Finance Limited is a wholly owned subsidiary of KG Group Holdings Limited, a company incorporated in the United Kingdom, which produces a consolidated cash flow statement in accordance with Financial Reporting Standard 1 (FRS 1) revised 1996. Consequently the company has taken advantage of the exemption in FRS 1 revised 1996, from producing a cash flow statement in these financial statements.

The company is also exempt under the terms of Financial Reporting Standard 8 (FRS 8) from disclosing related party transactions with other group companies, on the grounds that 100% of the voting rights in the company are controlled within the group and the company is included in consolidated financial statements prepared by KG Group Holdings Limited.

#### *Valuation of investments*

Investments held as fixed assets are stated at cost less any provision for impairment. Investments held as current assets are stated at the lower of cost and net realisable value.

#### *Finance costs*

Costs of raising debt ('finance costs') are initially capitalised and then amortised to the profit and loss account over the term of the instruments at a constant rate on the carrying amount.

#### *Dividends*

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

# Kurt Geiger Finance Limited

Notes forming part of the financial statements  
for the year ended 29 January 2011 (*continued*)

## 2 Operating profit

Operating profit is stated after crediting,

	2011 £'000	2010 £'000
Dividend receivable from subsidiary undertakings	26,500	-

Auditors' remuneration has been borne by Kurt Geiger Limited. The company had no employees or employment expenses during the period. No director received any remuneration for services to the company in the current financial year.

## 3 Interest receivable

	2011 £'000	2010 £'000
Interest receivable on amounts owed by group undertakings	107	109
Interest on loan notes	1,337	1,337
	<u>1,444</u>	<u>1,446</u>

## 4 Interest payable and similar charges

	2011 £'000	2010 £'000
Interest on loan notes	1,249	1,249
Interest on amounts owed to group undertakings	148	151
	<u>1,397</u>	<u>1,400</u>

## 5 Taxation on profit from ordinary activities

	2011 £'000	2010 £'000
<i>Current tax</i>		
Corporation tax	-	-
Adjustment in respect of prior years	7	-
	<u>7</u>	<u>-</u>
Total current tax	<u>7</u>	<u>-</u>
	<u>7</u>	<u>-</u>
Total tax charge for the year	<u>7</u>	<u>-</u>

# Kurt Geiger Finance Limited

Notes forming part of the financial statements  
for the year ended 29 January 2011 (*continued*)

## 5 Taxation on profit from ordinary activities (*continued*)

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below

	2011 £'000	2010 £'000
Profit on ordinary activities before tax	26,547	46
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (30 January 2010 - 28%)	7,433	13
Effects of		
Group relief claimed	(13)	(13)
Non-taxable income	(7,420)	-
Prior year tax under provision	7	-
Current tax charge for year	7	-

## 6 Dividends

The directors recommended the payment of an interim dividend of £26,000,000 to Kurt Geiger Holdings Limited (2010 - £Nil) during the year. The directors do not recommend payment of a final dividend.

## 7 Fixed asset investments

The company owns 100% of the share capital of Kurt Geiger Acquisition Limited, a holding company incorporated in the United Kingdom.

	Investment in subsidiary £'000
At 30 January 2010	30,213
Additions during the year	1,336
At 29 January 2011	31,549

Investment in subsidiaries includes shares at cost of £12,625,000 and acquisition costs of £140,000.

Additions in the year relate to capitalised amounts receivable.

## 8 Debtors

	2011 £'000	2010 £'000
Amounts owed by group undertakings	30,422	3,815

# Kurt Geiger Finance Limited

Notes forming part of the financial statements  
for the year ended 29 January 2011 (*continued*)

## 9 Creditors: amounts falling due within one year

	2011 £'000	2010 £'000
Amounts owed to group undertakings	31,400	5,246

## 10 Creditors: amounts falling due after more than one year

	2011 £'000	2010 £'000
Loan notes	17,558	16,309
Loan notes net of finance costs		
Maturity		
More than two years but not more than five years	17,558	16,309

The loan notes include accrued interest of £5,508,000 (30 January 2010 - £4,259,000) at an interest rate of 9% and are repayable on 31 July 2015

## 11 Share capital

	2011 £'000	2010 £'000
<i>Authorised, allotted, called up and fully paid</i> 12,625,000 ordinary shares of £1 each	12,625	12,625

## 12 Reconciliation of movements in shareholders' funds

	Share capital £'000	Profit and loss account £'000	Shareholders' funds £'000
At 30 January 2010	12,625	(152)	12,473
Dividends (note 6)	-	(26,000)	(26,000)
Profit for the Year	-	26,540	26,540
At 29 January 2011	12,625	388	13,013

# **Kurt Geiger Finance Limited**

**Notes forming part of the financial statements  
for the year ended 29 January 2011 (*continued*)**

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## **13 Guarantees and other financial commitments**

The KG Group Holdings Limited group's working capital facility from Lloyds TSB Plc and Royal Bank of Scotland Plc is guaranteed by KG Group Holdings and other group companies

## **14 Ultimate parent company**

At 29 January 2011 the company's ultimate parent company was KG Group Holdings Limited which is the parent of both the smallest and largest group of which the company is a member and for which group financial statements are prepared. The group financial statements will be filed with the Registrar of Companies in due course.