

Kurt Geiger Finance Limited

Report and Financial Statements

Year ended

30 January 2010

Company Number 05466773

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Kurt Geiger Finance Limited

Report and financial statements for the year ended 30 January 2010

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Directors

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

Secretary and registered office

D N Christlaw, 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 30 January 2010

The directors present their report together with the audited financial statements for the year ended 30 January 2010

Results and dividends

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

The directors do not recommend 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 30 January 2010

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 Christilaw
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 30 January 2010 (*Continued*)

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.

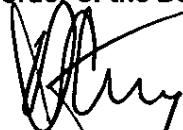
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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 17 June 2010

Kurt Geiger Finance Limited

Independent auditor's report

TO THE MEMBERS OF KURT GEIGER FINANCE LIMITED

We have audited the financial statements of Kurt Geiger Finance Limited for the year ended 30 January 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).

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 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

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

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 30 January 2010 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*)

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 *17 June 2010*

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 30 January 2010

	Note	2010 £'000	2009 £'000
Income from shares in group undertakings		-	3,500
Operating profit	2	-	3,500
Interest receivable	3	1,446	1,466
Interest payable and similar charges	4	(1,400)	(1,846)
Profit on ordinary activities before and after taxation	10	46	3,120

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 10 form part of these financial statements

Kurt Geiger Finance Limited

Balance sheet at 30 January 2010

Company number 05466773	Note	2010 £'000	2010 £'000	2009 £'000	2009 £'000
Fixed assets					
Investments	5		30,213		28,876
Debtors	6	3,815		3,706	
Creditors' amounts falling due within one year	7	(5,246)		(5,096)	
Net current liabilities			(1,431)		(1,390)
Total assets less current liabilities			28,782		27,486
Creditors' amounts falling due after more than one year	8		(16,309)		(15,059)
Net assets			12,473		12,427
Capital and reserves					
Called up share capital	9		12,625		12,625
Profit and loss account	10		(152)		(198)
Shareholders' funds	10		12,473		12,427

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

17 June 2010


D N Christilaw
Director

The notes on pages 7 to 10 form part of these financial statements

Kurt Geiger Finance Limited

Notes forming part of the financial statements for the year ended 30 January 2010

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.

Kurt Geiger Finance Limited

Notes forming part of the financial statements
for the year ended 30 January 2010 (Continued)

2 Operating profit

Operating profit is stated after crediting,

	2010 £'000	2009 £'000
Dividend receivable from subsidiary undertakings	-	3,500

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.

There are no employee costs or director's remuneration costs for the year.

3 Interest receivable

	2010 £'000	2009 £'000
Interest receivable on amounts owed by group undertakings	109	206
Interest on loan notes	1,337	1,260
	<u>1,446</u>	<u>1,466</u>

4 Interest payable and similar charges

	2010 £'000	2009 £'000
Interest on loan notes	1,249	1,283
Interest on amounts owed to group undertakings	151	296
Finance costs written-off in the year	-	267
	<u>1,400</u>	<u>1,846</u>

Kurt Geiger Finance Limited

Notes forming part of the financial statements
for the year ended 30 January 2010 (*Continued*)

5 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 31 January 2009	28,876
Additions during the year	1,337
	<hr/>
At 30 January 2010	30,213
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Investment in shares includes shares at cost of £12,625,000 and acquisition costs of £140,000

Additions in the year relate to capitalised amounts receivable

6 Debtors

	2010 £'000	2009 £'000
Amounts owed by group undertakings	3,815	3,706
	<hr/>	<hr/>

7 Creditors' amounts falling due within one year

	2010 £'000	2009 £'000
Amounts owed to group undertakings	5,246	5,096
	<hr/>	<hr/>
	5,246	5,096
	<hr/>	<hr/>

Kurt Geiger Finance Limited

Notes forming part of the financial statements
for the year ended 30 January 2010 (Continued)

8 Creditors amounts falling due after more than one year

	2010 £'000	2009 £'000
Loan notes	16,309	15,059
Loan notes net of finance costs		
Maturity		
More than five years	16,309	15,059
	16,309	15,059

The loan notes include accrued interest of £4,259,000 (2009 – £3,009,000) at an interest rate of 9% and are repayable on 31 July 2015

9 Share capital

	2010 £'000	2009 £'000
<i>Authorised, allotted, called up and fully paid</i> 12,625,000 ordinary shares of £1 each	12,625	12,625

10 Reconciliation of movements in shareholders' funds

	Share capital £'000	Profit and loss account £'000	Shareholders' funds £'000
At 31 January 2009	12,625	(198)	12,427
Profit for the year	-	46	46
At 30 January 2010	12,625	(152)	12,473

11 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

12 Ultimate parent company

At 30 January 2010 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.