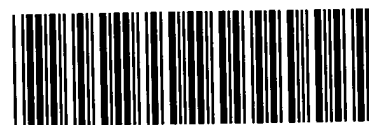


Liberty of London Limited
Annual Report and Financial Statements
For the 52 week period ended
31 January 2015

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STRATEGIC REPORT
for the 52 week period ended 31 January 2015

Principal Activities

Liberty of London Limited (the "Company") is a wholly owned subsidiary of Liberty Limited. The principal activities of the Company are the creation and development of a luxury goods brand and the retailing of this brand primarily in the Liberty flagship retail store situated in Great Marlborough Street, London (the "Flagship" store).

Operations continue to focus on further product development in specialised categories and to retail those products in the Flagship store. The strategy for the coming financial year is to retail the Liberty of London product in luxury department stores worldwide.

Business Review

Sales declined in the period as a result of the strategic decision to focus on the two core product categories of scarves and small leather goods. This was part of a larger strategy to review the product offering and focus on sales within the Flagship store. Gross profit margins were enhanced by lower cost of sales as a result of the weakening Euro over the period. The results are set out on page 7 of the financial statements.


The Directors use a number of KPI's which they consider to be effective in measuring delivery of their strategy, and which assist in the management of the business. They assess product performance by monitoring changes in sales, margins and profitability. The main measure of profitability is EBITDA (earnings before interest, tax, depreciation and amortisation).

The Liberty group (the "Group") to which the Company belongs has reconfigured the basis on which it reports its management accounts to align with the emerging strategies of each corporate entity and operational business unit. As a result central costs previously borne by Liberty Retail Limited have been recharged to the group companies in line with their usage of central services. The effect on the accounts of the Company is an increase in administrative costs.

Principle Risks

The Company is dependent upon its ability to interpret and offer fashion products that consumers wish to purchase. Failure to be successful in this area of activity, particularly noting the long lead times before product is available for sale in the store, would cause an adverse impact on the Company's revenues and profitability. If there was a failure to sustain the appeal of Liberty's products to its customers, this could have an adverse impact on the Company's revenues and resultant shareholder value. In addition, the value of Liberty's products is influenced by a number of external factors including consumer preference and perceptions. The Company is focused on service delivery to ensure that the product provided matches customer preferences. Controls are in place to help ensure adherence to all legislative aspects affecting the business and experienced executives manage these important areas of the Company.

By order of the board



Emilio Di Spiezio Sardo
Director
210-220 Regent Street
London W1B 5AH
30 June 2015

DIRECTORS' REPORT
for the 52 week period ended 31 January 2015

Introduction

The Directors present their report and the audited accounts for the year 52 week period ended 31 January 2015.

Directors

The Directors who held office during the year were:

Marco Capello
Emilio Di Spiezio Sardo
Marco Anatriello
Vishesh Srivastava

Dividends

The Directors do not propose the payment of a dividend (2014: £nil).

Political contributions

The Company made no political donations or incurred any political expenditure during the year.

Employment

It is Company policy to keep employees informed of the aims, objectives, activities and financial performance of the Company and to encourage them to take a wider interest in its affairs. This is achieved in a variety of ways, including electronic media, divisional reporting and briefing sessions as well as consultation of employees or their representatives on a regular basis so that their views can be taken into account in making decisions likely to affect their interests. The health and safety of employees is important to the Company. Safety awareness is promoted in the working environment. This is reviewed from time to time, and also in light of good practice and developing legislation.

The company is an equal opportunities employer and is committed to developing a working culture, which enables employees to make their own distinctive contribution. Employment policies are designed to be fair and equitable, and to be consistent with the abilities of the employees and the needs of the Company. Applications for employment by disabled persons are fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of any member of staff becoming disabled, effort should be made to enable their employment with the company to continue. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be similar to that of other employees.

**DIRECTORS' REPORT (continued)
for the 52 week period ended 31 January 2015**

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

In accordance with Section 487 of the Companies Act 2006, KPMG LLP are deemed to be reappointed as auditors of the Company and will therefore continue in office.

By order of the Board



Emilio Di Spiezio Sardo
Director
210-220 Regent Street
London W1B 5AH

30 June 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

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 period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments and 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIBERTY OF LONDON LIMITED

We have audited the financial statements of Liberty of London Limited for the 52 week period ended 31 January 2015 set out on pages 7 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 Directors' Responsibilities Statement set out on page 4, 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 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 Financial Reporting Council's web-site at www.frc.org.uk/auditscopeprivate

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 January 2015 and of its loss for the 52 week period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIBERTY OF LONDON LIMITED (CONTINUED)

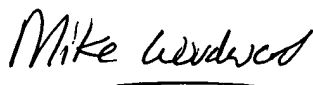
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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.



Mike Woodward (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square,
London
E14 5GL
30 June 2015

PROFIT AND LOSS ACCOUNT
for the 52 week period ended 31 January 2015

	Notes	52 week period ended 31 January 2015 £000	52 week period ended 1 February 2014 £000
Turnover		2,324	2,685
Cost of sales		(1,426)	(1,702)
Gross profit		898	983
Selling and distribution costs		(1,108)	(1,405)
Administration expenses		(200)	(78)
Operating loss		(410)	(500)
Interest payable and similar charges		(1)	(167)
Loss on ordinary activities before taxation	4	(411)	(667)
Taxation on loss on ordinary activities	5	-	-
Loss for the financial period	11	(411)	(667)

The Company has no recognised gains or losses other than the losses stated above and therefore no separate Statement of Total Recognised Gains and Losses has been prepared.

There is no material difference between the loss for the year and its historical cost equivalent.

All operations are continuing.

Notes on pages 9 to 14 form part of these financial statements.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT
for the 52 week period ended 31 January 2015

	52 week period ended 31 January 2015 £000	52 week period ended 1 February 2014 £000
Opening shareholders' deficit	(1,824)	(1,157)
Loss for the financial year	(411)	(667)
Closing shareholders' deficit	(2,235)	(1,824)

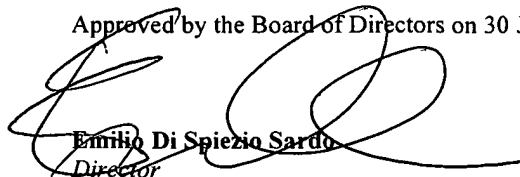
Notes on pages 9 to 14 form part of these financial statements.

BALANCE SHEET
as at 31 January 2015

	Notes	31 January 2015 £000	1 February 2014 £000
Fixed assets			
Tangible assets	6	69	79
		69	79
Current assets			
Stocks	7	658	623
Debtors	8	233	267
Cash		59	203
		950	1,093
Current Liabilities			
<i>Creditors: amounts falling due within one year</i>	9	(3,254)	(2,996)
Net current liabilities		(2,304)	(1,903)
Total assets less current liabilities		(2,235)	(1,824)
Capital and reserves			
Called up share capital	10	13,360	13,360
Profit and loss account	11	(15,595)	(15,184)
Total shareholders' deficit		(2,235)	(1,824)

Notes on pages 9 to 14 form part of these financial statements.

Approved by the Board of Directors on 30 June 2015 and signed on its behalf by:-



Emilio Di Spiezia Sardo
Director

NOTES TO THE ACCOUNTS
for the 52 week period ended 31 January 2015

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material to the financial statements.

Basis of preparation

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

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that the parent undertaking includes the Company in its own published consolidated financial statements. The consolidated financial statements of Liberty Zeta Ltd, within which this Company is included, can be obtained from the address given in note 14.

The Company is part of the Liberty Zeta Ltd group of companies (the "Group"). Treasury management is undertaken on a Group basis rather than at an individual company level and the Company is dependent for its working capital on access to funds forming part of those facilities.

The financial statements have been prepared on a going concern basis in view of the fact the parent undertaking Liberty Zeta Limited has formally indicated that it is its present intention to provide sufficient funding to the company to enable it to meet its liabilities as they fall due, for at least the next twelve months.

The directors have no reason to believe that the parent company will not be in a position to provide the support referred to above and, accordingly, they have prepared the financial statements on a going concern basis.

Turnover

Turnover is measured at the fair value of consideration received or receivable for goods and services provided in the normal course of business and is stated net of value added tax and other sales-related taxes.

Foreign exchange

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on transactions are recognised in the profit and loss account.

Corporation tax and deferred taxation

The charge for taxation is based on the result for the period, which takes account of taxation deferred because of timing differences between the treatment of certain items for taxation purposes and the treatment under the Group's accounting policies.

Deferred tax assets and liabilities arise from timing differences between the recognition of gains and losses in the financial statements and their recognition for taxation purposes. In accordance with FRS19, deferred tax is provided in respect of all timing differences that have originated, but not reversed, at the balance sheet date, that may give rise to an obligation to pay more or less tax in the future. Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. 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.

NOTES TO THE ACCOUNTS (continued)
for the 52 week period ended 31 January 2015

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives, over the following periods:

Fixtures, fittings and office equipment	5 years
Computer Hardware	5 years

Stocks

Stocks are stated at the lower of cost and estimated net realisable value. Provisions against book values are recorded principally by reference to the age of stock. Cost is based on the standard cost principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition.

2. STAFF NUMBERS AND COSTS

The average full time equivalent number of staff employed by the Company was as follows:

	52 week period ended 31 January 2015 Number	52 week period ended 1 February 2014 Number
Selling and distribution	-	1
Design and production	10	11
Administration	-	2
	10	14

The payroll cost of the Company was as follows:

	52 week period ended 31 January 2015 £000	52 week period ended 1 February 2014 £000
Wages and salaries	447	708
Social security costs	40	83
Pension costs	15	11
	502	802

All staff are employed and paid by the Company's fellow subsidiary, Liberty Retail Ltd, and their costs are recharged to the Company.

NOTES TO THE ACCOUNTS (continued)
for the 52 week period ended 31 January 2015

3. REMUNERATION OF DIRECTORS

The Directors were paid £nil by the Company for their qualifying services received during the period (2014: £nil).

4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	52 week period ended 31 January 2015 £000	52 week period ended 1 February 2014 £000
Loss on ordinary activities before taxation is stated after charging the following:		
Depreciation - fixed assets owned	27	28

Audit fees continue to be borne by Liberty Retail Limited.

5. TAXATION ON LOSS ON ORDINARY ACTIVITIES

The current credit for the year is higher (2014: higher) than the standard rate of corporation tax in the UK of 21.33% (2014: 23.16%). The differences are explained below:

	52 week period ended 31 January 2015 £000	52 week period ended 1 February 2014 £000
Loss on ordinary activities before tax	(411)	(667)
Loss on ordinary activities multiplied by the standard rate in the UK 21.33% (2014: 23.16%)	(88)	(155)
Effects of:		
Shortfall/(Excess) of capital allowances over depreciation	6	(27)
Group relief available to other companies for no consideration	82	182
Current taxation charge	-	-

The company has an unrecognised deferred tax asset at 20% (2014: 20%) of £926,803 (2014: £921,371). This asset is in respect of timing differences arising on capital allowances and carried forward trading losses.

No deferred tax asset has been recognised in the financial statements of the company as it is not certain when such an asset would be realisable in the foreseeable future.

During the period, Finance Act 2014 was enacted and included legislation to confirm the reduction in the main rate of corporation tax to 20% with effect from 1 April 2015. As this change was substantively enacted at the balance sheet date and no material amount is expected to unwind prior to 1 April 2015, deferred tax is recognised at 20% in the current period.

NOTES TO THE ACCOUNTS (continued)
for the 52 week period ended 31 January 2015

6. TANGIBLE FIXED ASSETS

	Fixtures, fittings & equipment £000
Cost	
At 12 February 2014	1,216
Additions	17
Fully depreciated assets write off	(1,075)
At 31 January 2015	158
Depreciation	
At 12 February 2014	(1,137)
Charge for year	(27)
Fully depreciated assets write off	1,075
At 31 January 2015	(89)
Net Book Value at 31 January 2015	69
Net Book Value at 1 February 2014	79

7. STOCKS

	31 January 2015 £000	1 February 2014 £000
Work in progress	286	145
Finished goods	372	478
	658	623

8. DEBTORS: amounts falling due within one year

	31 January 2015 £000	1 February 2014 £000
Trade debtors	197	245
Other debtors	36	-
Prepayments and accrued income	-	22
	233	267

NOTES TO THE ACCOUNTS (continued)
for the 52 week period ended 31 January 2015

9. CREDITORS: amounts falling due within one year

	31 January 2015 £000	1 February 2014 £000
Trade creditors	166	418
Amounts owed to fellow group undertakings	2,663	2,556
Accruals and deferred income	425	22
	3,254	2,996

10. SHARE CAPITAL

	31 January 2015 £000	1 February 2014 £000
ALLOTTED, CALLED UP AND FULLY PAID		
Called up Ordinary Shares		
13,360,002 ordinary shares of £1 each	13,360	13,360

11. RESERVES

	Profit & Loss Account £000
At 12 February 2014	(15,184)
Loss for the financial year	(411)
At 31 January 2015	(15,595)

NOTES TO THE ACCOUNTS (continued)
for the 52 week period ended 31 January 2015

12. GUARANTEES

The Company has guaranteed the debt (the "Acquisition Facilities") incurred by subsidiaries of Liberty Zeta Limited on 6 December 2013 to fund the acquisition of BlueGem Alpha Limited, the then parent company of the Company. The debt includes a Revolving Credit Facility and a Capital Expenditure Facility to fund future acquisitions. On 31 July 2014, 66⅔% of the LIBOR interest rate exposure on the debt was fixed for 5 years using a 5 year "step up interest rate swap" at rates from 0.875% in year one to 3% in year five for the debt denominated in GBP and 0.363% fixed rate for the debt denominated in Yen.

The debt is subject to four covenant tests; Cashflow Cover, Interest Cover, Leverage and Capital Expenditure. At the balance sheet date all covenant tests were met in full.

13. POST BALANCE SHEET EVENTS

On 3 June 2015, the Acquisition Facilities were renegotiated. This resulted in a reduction in the interest margin of 0.75% on all debt in addition to the removal of a 1.5% payment-in-kind interest margin. Other terms of the Acquisition Facilities were amended to allow the Group greater flexibility.

14. PARENT COMPANY AND CONSOLIDATED ACCOUNTS

The Company's immediate parent company is Liberty Limited, a company registered in England and Wales.

The ultimate parent company is Liberty Zeta Limited, a company incorporated in England and Wales.

The largest and smallest group in which the results of the Company are consolidated is that headed by Liberty Zeta Limited, incorporated in England and Wales. The consolidated financial statements of this group are available to the public and may be obtained from 16 Berkeley Street, London, W1J 8DZ.