

Company Registration No 06615345 (England and Wales)

LVMH FG SERVICES UK LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010



LVMH FG SERVICES UK LIMITED

COMPANY INFORMATION

Director	Francois-Xavier Figon
Secretary	Castlegate Secretaries Limited
Company number	06615345
Registered office	C N A House 77 Gracechurch Street London EC3V 0AS
Auditor	Deloitte LLP Chartered Accountants and Registered Auditors London
Bankers	Barclays Bank Plc One Churchill Place London E14 5HP
Solicitors	Browne Jacobson LLP C N A House 77 Gracechurch Street London EC3V 0AS

LVMH FG SERVICES UK LIMITED

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LVMH FG SERVICES UK LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2010

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

The Director's Report has been prepared in accordance with the special provision relating to small companies

Principal activities and review of the business

The company was incorporated on the 10th June 2008. The principal activity of the company is that of design and consultancy to companies within the LVMH group. The directors do not recommend the payment of a dividend (2009 £nil).

The company is exposed to financial risk through its financial assets and liabilities. The most important components of financial risk are interest rate risk, currency risk, liquidity risk, cash flow risk and price risk. Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet, the only financial risks the director considers relevant to this company are credit risk and liquidity risk. The company takes reasonable steps to manage these risks.

Results and dividends

The results for the year are set out on page 5.

Going Concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies note in the financial statements.

Director

The following director has held office since 1 January 2010:

Francois-Xavier Figon

LVMH FG SERVICES UK LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

Statement of director's responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and

- the director has taken all the steps that he ought to have taken as a director in order to make himself 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 on s418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by


Francois-Xavier Egen
Director

23 September 2011.

LVMH FG SERVICES UK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LVMH FG SERVICES UK LIMITED

We have audited the financial statements of LVMH FG Services UK Limited for the period ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 16. 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 director and auditor

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. 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

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 31 December 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

LVMH FG SERVICES UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LVMH FG SERVICES UK LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made,
- we have not received all the information and explanations we require for our audit,
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime



Mary Reilly (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

26th

September 2011

LVMH FG SERVICES UK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 £	2009 £
Turnover	2	7,316,037	6,545,236
Administrative expenses		(6,830,765)	(6,099,971)
Operating profit	3	485,272	445,265
Interest payable and similar charges	4	(26,195)	(25,801)
Profit on ordinary activities before taxation		459,077	419,464
Tax on profit on ordinary activities	5	(173,388)	(131,347)
Profit for the year	12	285,689	288,117

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

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

LVMH FG SERVICES UK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2010

	Notes	2010 £	£	2009 £	£
Fixed assets					
Tangible assets	6		330,653		434,568
Current assets					
Debtors	7	2,303,749		2,548,447	
Cash at bank and in hand		2,148		1	
		<u>2,305,897</u>		<u>2,548,448</u>	
Creditors' amounts falling due within one year	8	<u>(1,993,295)</u>		<u>(2,625,450)</u>	
Net current assets/(liabilities)			<u>312,602</u>		<u>(77,002)</u>
Total assets less current liabilities			<u>643,255</u>		<u>357,566</u>
			<u>643,255</u>		<u>357,566</u>
Capital and reserves					
Called up share capital	11		1,000		1,000
Profit and loss account	12		<u>642,255</u>		<u>356,566</u>
Shareholders' funds	13		<u>643,255</u>		<u>357,566</u>

Approved by the Board and authorised for issue on 23 September 2011


 Francois-Xavier Figon
 Director

Company Registration No 06615345

LVMH FG SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The directors have reviewed the projected cash flows of the company and its existing contractual arrangements with Celine SA and other members of the LVMH Group

After making enquiries, 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 financial statements

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated) throughout the year and the preceding period

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.4 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the director are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit

1.5 Tangible fixed assets and depreciation

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

Land and buildings Leasehold	over term of lease
Plant and machinery	25% reducing balance
Fixtures, fittings & equipment	25% reducing balance

1.6 Leasing

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

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable

LVMH FG SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting policies

(continued)

1.8 Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not there will be suitable tax profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account

2 Turnover

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

3 Operating profit

	2010	2009
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	104,918	77,411
Loss on foreign exchange transactions	6,619	1,493
Research and development	330,008	274,630
Operating lease rentals	305,000	229,200
Auditors' remuneration - for the audit of the company's annual accounts	11,000	5,000

No remuneration was paid to the auditor in respect of non-audit services (2009 £nil)

4 Interest payable

	2010	2009
	£	£
On amounts payable to group companies	26,195	25,801

LVMH FG SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

5	Taxation	2010 £	2009 £
	Domestic current year tax		
	U K corporation tax	249,496	131,347
	Total current tax	249,496	131,347
	Deferred tax		
	Deferred tax charge/credit current year	(76,108)	-
		173,388	131,347
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	459,077	419,464
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 28.00%)	128,542	117,450
	Effects of		
	Non deductible expenses	27,568	20,745
	Depreciation in excess of capital allowances	10,692	21,675
	Capital allowances	-	(28,523)
	Other timing differences	82,694	-
		120,954	13,897
	Current tax charge for the year	249,496	131,347

In June 2010, the Chancellor of the Exchequer announced that the main rate of UK corporation tax would reduce from 28% to 27% with effect from April 2011. This change was substantively enacted in July 2010 and therefore the effect of the change on the deferred tax balance as at 31st December 2010 has been included in these workings.

On 23rd March 2011 the Chancellor announced an additional 1% reduction in the main rate of UK corporation tax to 26% with effect from 1 April 2011. This has not been reflected in the figures above as it is not substantively enacted at the balance sheet date. The Chancellor proposed further changes to reduce the rate by one percent per annum to 23% by 1st April 2014, but again these changes have not yet been substantively enacted and therefore are not included in the figures above.

LVMH FG SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

6 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 January 2010	507,573	1,665	4,210	513,448
Additions	580	-	423	1,003
At 31 December 2010	508,153	1,665	4,633	514,451
Depreciation				
At 1 January 2010	74,473	1,249	3,158	78,880
Charge for the year	104,901	-	17	104,918
At 31 December 2010	179,374	1,249	3,175	183,798
Net book value				
At 31 December 2010	328,779	416	1,458	330,653
At 31 December 2009	433,100	416	1,052	434,568

7 Debtors

	2010 £	2009 £
Amounts owing from group undertakings	1,987,599	2,284,958
Other debtors	222,086	182,714
Prepayments and accrued income	17,729	80,548
Deferred tax asset (see note 9)	76,335	227
	2,303,749	2,548,447

LVMH FG SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

8 Creditors amounts falling due within one year	2010 £	2009 £
Trade creditors	116,612	27,131
Amounts owed to parent and fellow subsidiary undertakings	1,087,315	1,446,784
Corporation tax	184,496	131,347
Other taxes and social security costs	151,216	124,697
Accruals and deferred income	453,656	895,491
	<u>1,993,295</u>	<u>2,625,450</u>

The company participates in a cash-pooling arrangement with its bankers and LVMH Moët Hennessy-Louis Vuitton SA as part of a group arrangement to rationalise management of funds and financial requirements in the UK

9 Provisions for liabilities

The deferred tax asset (included in debtors, note 7) is made up as follows:

	2010 £	
Balance at 1 January 2010	(227)	
Profit and loss account	(76,108)	
	<u>(76,335)</u>	
Balance at 31 December 2010	<u>(76,335)</u>	

	2010 £	2009 £
Accelerated/(decelerated) capital allowances	3,407	(227)
Tax losses available	(79,742)	-
	<u>(76,335)</u>	<u>(227)</u>

LVMH FG SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

10 Pension and other post-retirement benefit commitments Defined contribution

	2010 £	2009 £
Contributions payable by the company for the year	43,967	18,267

11 Share capital

	2010 £	2009 £
Allotted, called up and fully paid 1,000 Ordinary shares of £1 each	1,000	1,000

12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2010	356,566
Profit for the year	285,689
Balance at 31 December 2010	642,255

13 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit for the financial year	285,689	288,117
Opening shareholders' funds	357,566	69,449
Closing shareholders' funds	643,255	357,566

LVMH FG SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

14 Financial commitments

At 31 December 2010 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2011

	Land and buildings	
	2010	2009
	£	£
Operating leases which expire		
In over five years	2,939,712	3,050,000

15 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2010	2009
	Number	Number
	28	20

Employment costs

	2010	2009
	£	£
Wages and salaries	4,032,128	4,143,518
Social security costs	488,010	351,595
Other pension costs	43,967	18,267
	4,564,105	4,513,380

The directors did not receive any remuneration for their services to the company during the year (2009 £Nil)

16 Control

The immediate parent company is LVMH Fashion Group Services SAS, a company registered in France

The parent company of the smallest and largest group of which the company is a member and the ultimate parent company is LVMH Moët Hennessy-Louis Vuitton SA, a company registered in France. The financial statements of this group are available to the public and may be obtained from 22 Avenue Montaigne, 75008 Paris, France