

Company Registration No. 6615345 (England and Wales)

LVMH FG SERVICES UK LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

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LVMH FG SERVICES UK LIMITED

COMPANY INFORMATION

Director	Francois-Xavier Figon (Appointed 30 July 2009) Rene Courbet (Resigned 1st October 2009)
Secretary	Castlegate Secretaries Limited
Company number	6615345
Registered office	C N A House 77 Gracechurch Street London EC3V 0AS
Auditors	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 2009

The director presents his report and financial statements for the year ended 31 December 2009

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 (2008 £nil)

Results and dividends

The results for the year are set out on page 5

Directors

The following directors have held office since 1 January 2009

Rene Courbet	(Resigned 1 October 2009)
Francois-Xavier Figon	(Appointed 30 July 2009)

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.

Auditors

Deloitte LLP were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of director's responsibilities

The director is responsible for preparing the annual report and 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). The financial statements are required by law to 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 those financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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.

The director is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

LVMH FG SERVICES UK LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

Statement of disclosure to auditors

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

On behalf of the board



Handwritten signature of Francois-Xavier Figon, consisting of a stylized 'F' and 'X' followed by a horizontal line.

Francois-Xavier Figon
Director

28 September 2010

LVMH FG SERVICES UK LIMITED

INDEPENDENT AUDITORS' 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 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 17. 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 auditors' 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 auditors

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 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 31 December 2009 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

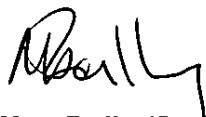
INDEPENDENT AUDITORS' REPORT (CONTINUED)

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 Auditors

London, United Kingdom

29th September 2010

LVMH FG SERVICES UK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2009

		2009	Period from
			10 June to
			31 December
	Notes	£	2008
			£
Turnover	2	6,545,236	1,466,021
Administrative expenses		(6,099,971)	(1,360,839)
Operating profit	3	445,265	105,182
Interest payable and similar charges	4	(25,801)	(9,274)
Profit on ordinary activities before taxation		419,464	95,908
Tax on profit on ordinary activities	5	(131,347)	(27,459)
Profit for the year	12	288,117	68,449

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
Accordingly no statement of total recognised gains and losses has been presented


LVMH FG SERVICES UK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2009

	Notes	2009 £	£	2008 £	£
Fixed assets					
Tangible assets	6		434,568		4,406
Current assets					
Debtors	7	2,548,447		1,484,267	
Cash at bank and in hand		1		126,450	
		<u>2,548,448</u>		<u>1,610,717</u>	
Creditors amounts falling due within one year	8	<u>(2,625,450)</u>		<u>(1,545,674)</u>	
Net current (liabilities)/assets			<u>(77,002)</u>		<u>65,043</u>
Total assets less current liabilities			<u>357,566</u>		<u>69,449</u>
			<u>357,566</u>		<u>69,449</u>
Capital and reserves					
Called up share capital	11		1,000		1,000
Profit and loss account	12		356,566		68,449
Shareholders' funds	13		<u>357,566</u>		<u>69,449</u>

Approved by the Board and authorised for issue on 28 September 2010


 Francois-Xavier Figon
 Director

Company Registration No 6615345

LVMH FG SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Going concern

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

1.3 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

1.4 Turnover

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

1.5 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

1.6 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

1.7 Leasing

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

1.8 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 2009

1 Accounting policies

(continued)

1.9 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

1.10 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	Period from 10 June to 31 December	
		2009	2008
		£	£
	Operating profit is stated after charging		
	Depreciation of tangible assets	77,411	1,469
	Loss on foreign exchange transactions	1,493	10,054
	Research and development	274,630	36,095
	Operating lease rentals	229,200	35,000
	Auditors' remuneration - for the audit of the company's annual accounts	5,000	5,000

LVMH FG SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

		Period from 10 June to 31 December
	2009	2008
	£	£
4 Interest payable		
On amounts payable to group companies	25,801	9,274
	<u>25,801</u>	<u>9,274</u>
5 Taxation	2009	2008
	£	£
Domestic current year tax		
U K corporation tax	131,347	27,686
	<u>131,347</u>	<u>27,686</u>
Current tax charge	131,347	27,686
Deferred tax		
Deferred tax credit	-	(227)
	<u>-</u>	<u>(227)</u>
	<u>131,347</u>	<u>27,459</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	419,464	95,908
	<u>419,464</u>	<u>95,908</u>
The difference between the total current tax charge, shown above, and the amount calculated by applying the standard rate of UK corporation tax to profit before tax is as follows		
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2008 - 28.00%)	117,450	26,854
	<u>117,450</u>	<u>26,854</u>
Effects of		
Non deductible expenses	20,745	605
Depreciation	21,675	412
Capital allowances	(28,523)	(185)
	<u>13,897</u>	<u>832</u>
Current tax charge	131,347	27,686
	<u>131,347</u>	<u>27,686</u>

LVMH FG SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

6 Tangible fixed assets

	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 January 2009	-	1,665	4,210	5,875
Additions	507,573	-	-	507,573
At 31 December 2009	507,573	1,665	4,210	513,448
Depreciation				
At 1 January 2009	-	416	1,053	1,469
Charge for the year	74,473	833	2,105	77,411
At 31 December 2009	74,473	1,249	3,158	78,880
Net book value				
At 31 December 2009	433,100	416	1,052	434,568
At 31 December 2008	-	1,249	3,157	4,406

7 Debtors

	2009 £	2008 £
Trade debtors	2,284,958	-
Other debtors	182,714	18,020
Prepayments and accrued income	80,548	1,466,020
Deferred tax asset (see note 9)	227	227
	<u>2,548,447</u>	<u>1,484,267</u>

LVMH FG SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

8 Creditors' amounts falling due within one year	2009 £	2008 £
Bank loans and overdrafts	1,446,784	-
Trade creditors	27,131	1,500
Amounts owed to parent and fellow subsidiary undertakings	-	1,206,317
Corporation tax	131,347	27,686
Other taxes and social security costs	124,697	106,836
Accruals and deferred income	895,491	203,335
	<u>2,625,450</u>	<u>1,545,674</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.

	2009 £
Balance at 1 January 2009 & at 31 December 2009	<u>(227)</u>
	2009 £
Decelerated capital allowances at 1 January 2009 and at 31 December 2009	<u>(227)</u>

10 Pension and other post-retirement benefit commitments Defined contribution

	2009 £	2008 £
Contributions payable by the company for the year	<u>18,267</u>	<u>767</u>

LVMH FG SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

11 Share capital	2009	2008
	£	£
Authorised		
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 2009	68,449
Profit for the year	288,117
Balance at 31 December 2009	356,566

13 Reconciliation of movements in shareholders' funds	2009	2008
	£	£
Profit for the financial year	288,117	68,449
Proceeds from issue of shares	-	1,000
Net addition to shareholders' funds	288,117	69,449
Opening shareholders' funds	69,449	-
Closing shareholders' funds	357,566	69,449

14 Financial commitments

At 31 December 2009 the company was committed to making the following payments under non-cancellable operating leases

	Land and buildings	
	2009	2008
	£	£
Operating leases which expire		
In over five years	3,050,000	-

LVMH FG SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

15 Employees

Number of employees

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

2009 Number	2008 Number
20	6

Employment costs

	2009 £	2008 £
Wages and salaries	4,143,518	797,856
Social security costs	351,595	95,574
Other pension costs	18,267	767
	<u>4,513,380</u>	<u>894,197</u>

The directors did not receive any remuneration for their services to the company during the year (2008 £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

17 Related party relationships and transactions

During the period transactions took place between the company and other group undertakings as follows

Sales £6,562,137

Group interest payable £25,801

Amounts due to LVMH SA at the Balance Sheet date amounted to £1,446,784

Amounts due from Celine SA at the balance sheet date amounted to £2,172,732