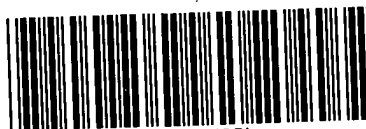


Company Registration No. 06615345 (England and Wales)

**LVMH FG SERVICES UK LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

TUESDAY



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COMPANIES HOUSE

# **LVMH FG SERVICES UK LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	Francois-Xavier Figon Marco Gobbetti (Appointed 3 March 2014)
<b>Secretary</b>	Castlegate Secretaries Limited
<b>Company number</b>	06615345
<b>Registered office</b>	6 Bevis Marks London EC3A 7BA
<b>Auditor</b>	Deloitte LLP Chartered Accountants and Registered Auditor London
<b>Bankers</b>	Barclays Bank PLC 1 Churchill Place London E14 5HP
<b>Solicitors</b>	Browne Jacobson LLP 6 Bevis Marks London EC3A 7BA

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# **LVMH FG SERVICES UK LIMITED**

## **CONTENTS**

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# LVMH FG SERVICES UK LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2014**

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The directors present the strategic report and financial statements for the year ended 31 December 2014. The directors, in preparing this strategic report, have complied with s414c of the Companies Act 2006.

### Principal activities

The Company incorporated in the UK, is a wholly-owned subsidiary of LVMH Fashion Group Services SAS, part of LVMH Moët Hennessy Louis-Vuitton S.A.  
The principal activity of the company is that of design and consultancy to companies within the LVMH group.

### Business Review

In a challenging economic climate, the Company continued to see increased demand for its design activities as a result of increased brand awareness across the wider LVMH group.

The Company will continue through 2015 to support other group companies to launch new collections, while at the same time continue to strictly control its costs.

### Financial and other key performance indicators

The key performance indicators used by the Company's management to analyse development, performance and position of the Company's business are administrative expenses and trade creditors.

Administrative expenses increased by 10% from £13.5 million in 2013 to £14.9 million in 2014, whilst trade creditors increased by 19% from £225,261 in 2013 to £267,367 in 2014 as a result of the increase in design activities during the year.

### Principal risks and uncertainties

The key commercial risks relate to the evolution of competitors brand's positioning in the market place and retail dynamic of competitors in the fashion and leather goods segment.

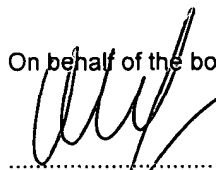
### Financial risk management

The company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are interest rate risk, currency risk, credit 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 risk the directors consider relevant to the company is liquidity risk.

#### Liquidity risk

In order to maintain liquidity and to ensure sufficient funds are available for ongoing operations, 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.

On behalf of the board



Marco Gobetti

Director

.....19/09/2015

# LVMH FG SERVICES UK LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2014**

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The directors present their report and financial statements for the year ended 31 December 2014.

### Results and dividends

The results for the year are set out on page 6.

### Directors

The following directors have unless otherwise stated held office since 1 January 2014:

Francois-Xavier Figon

Marco Gobetti

(Appointed 3 March 2014)

Guillaume Hanin

(Resigned 3 March 2014)

The company has not made any qualifying third party indemnity provisions for the benefit of its directors during the year (2013:nil)

### 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.

### Statement of disclosure to auditors

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

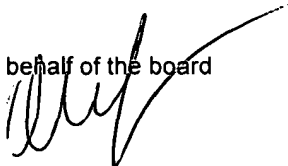
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and

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

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

On behalf of the board



.....  
Marco Gobetti

Director

.....10/09/2015

# **LVMH FG SERVICES UK LIMITED**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 DECEMBER 2014***

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### **Statement of directors' 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; and
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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.

# **LVMH FG SERVICES UK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF LVMH FG SERVICES UK LIMITED**

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We have audited the financial statements of LVMH FG Services UK Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 18. 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 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **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 2014 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 Strategic Report and in the Directors' 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)**

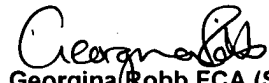
### **TO THE MEMBERS OF LVMH FG SERVICES UK LIMITED**

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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



Georgina Robb FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP

*10 Sept 2015*

Chartered Accountants and Registered Auditor  
London



# LVMH FG SERVICES UK LIMITED

## PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 31 DECEMBER 2014**

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	Notes	2014 £	2013 £
Turnover	2	15,935,216	14,448,938
Administrative expenses		(14,937,205)	(13,542,608)
Other operating income		8,798	2,705
		<hr/>	<hr/>
Profit on ordinary activities before taxation	3	1,006,809	909,035
Tax on profit on ordinary activities	4	(245,000)	(235,304)
		<hr/>	<hr/>
Profit for the year	12	761,809	673,731
		<hr/>	<hr/>

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 in either year and accordingly, no separate statement of total recognised gains and losses is presented.

# LVMH FG SERVICES UK LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2014

	Notes	2014 £	£	2013 £	£
<b>Fixed assets</b>					
Tangible assets	6		210,410		117,391
<b>Current assets</b>					
Debtors	7	7,243,441		5,181,647	
Cash at bank and in hand		2,500		2,076	
		<u>7,245,941</u>		<u>5,183,723</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(5,331,477)</u>		<u>(3,938,049)</u>	
<b>Net current assets</b>			1,914,464		1,245,674
<b>Total assets less current liabilities</b>			<u>2,124,874</u>		<u>1,363,065</u>
			<u>2,124,874</u>		<u>1,363,065</u>
<b>Capital and reserves</b>					
Called up share capital	11		1,000		1,000
Profit and loss account	12		2,123,874		1,362,065
<b>Shareholders' funds</b>	13		<u>2,124,874</u>		<u>1,363,065</u>

Approved by the Board and authorised for issue on 10/09/2015

Marco Gobetti  
Director

Company Registration No. 06615345

# **LVMH FG SERVICES UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention and on a going concern basis.

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.

The functional currency is GBP

#### **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 current year and the preceding year.

The Directors have taken advantage of FRS 1 "Cash Flow Statements" (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly-owned and its parent publishes consolidated financial statements which includes a consolidated statement of cash flows.

#### **1.3 Turnover**

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

Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a contract has only been partially completed at the balance sheet date, turnover represents the value of the service provided to date based on a proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year.

#### **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 directors 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	The shorter of the length of the lease or 5 years straightline
Plant and machinery	4 years straightline
Fixtures, fittings & equipment	4 years straightline

#### **1.6 Leasing**

Rentals payable under operating leases are charged against income on a straightline 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 2014

### 1 Accounting policies

(Continued)

#### 1.8 Deferred 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.

#### 1.9 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

	2014 £	2013 £
Operating profit is stated after charging:		
Depreciation of tangible assets	114,206	115,108
Loss on foreign exchange transactions	28,119	30,220
Research and development	933,910	591,068
Operating lease rentals - other	526,880	308,997
Fees payable to the company's auditor for the audit of the company's annual accounts	12,430	12,200

# LVMH FG SERVICES UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

4	Taxation	2014 £	2013 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	254,734	256,880
	Adjustment for prior years	2,410	(10,901)
	<b>Total current tax</b>	<u>257,144</u>	<u>245,979</u>
	<b>Deferred tax</b>		
	Deferred tax charge	(12,144)	(10,675)
		<u>245,000</u>	<u>235,304</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>1,006,809</u>	<u>909,035</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.49% (2013 - 23.25%)	<u>216,395</u>	<u>211,319</u>
	Effects of:		
	Non - deductible expenses	20,585	32,879
	Depreciation in excess of capital allowances	13,246	12,066
	Adjustments to previous periods	2,410	(10,901)
	Other timing differences	4,508	616
		<u>40,749</u>	<u>34,660</u>
	<b>Current tax charge for the year</b>	<u>257,144</u>	<u>245,979</u>

## 5 Dividends

Final dividend paid during the year, £nil per share. (2013: £nil per share)

# LVMH FG SERVICES UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

### 6 Tangible fixed assets

	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 1 January 2014	543,456	1,665	80,739	625,860
Additions	198,385	-	8,840	207,225
At 31 December 2014	741,841	1,665	89,579	833,085
<b>Depreciation</b>				
At 1 January 2014	472,650	1,665	34,154	508,469
Charge for the year	92,202	-	22,004	114,206
At 31 December 2014	564,852	1,665	56,158	622,675
<b>Net book value</b>				
At 31 December 2014	176,989	-	33,421	210,410
At 31 December 2013	70,806	-	46,585	117,391

### 7 Debtors

	2014 £	2013 £
Amounts owing from group undertakings	6,860,000	4,921,846
Other debtors	115,560	53,326
Prepayments and accrued income	228,850	179,588
Deferred tax asset (see note 9)	39,031	26,887
	7,243,441	5,181,647

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.

# LVMH FG SERVICES UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

8	Creditors: amounts falling due within one year	2014 £	2013 £
	Trade creditors	267,367	225,261
	Corporation tax	133,795	115,514
	Other taxes and social security costs	229,691	199,029
	Accruals and deferred income	4,700,624	3,398,245
		<u>5,331,477</u>	<u>3,938,049</u>

### 9 Deferred Tax

Reduction in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The recognised deferred tax asset at 31 December 2014 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

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

	2014 £	2013 £
Balance at 1 January 2014	(26,887)	
Profit and loss account	(12,144)	
Balance at 31 December 2014	<u>(39,031)</u>	
	2014 £	2013 £
Decelerated capital allowances	<u>(39,031)</u>	<u>(26,887)</u>

### 10 Retirement Benefits

	2014 £	2013 £
Contributions payable by the company for the year	<u>128,507</u>	<u>137,250</u>

# LVMH FG SERVICES UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

11	Share capital	2014 £	2013 £
	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 2014	1,362,065
	Profit for the year	761,809
	Balance at 31 December 2014	2,123,874

13	Reconciliation of movements in Shareholders' funds	2014 £	2013 £
	Profit for the financial year	761,809	673,731
	Opening Shareholders' funds	1,363,065	689,334
	Closing Shareholders' funds	2,124,874	1,363,065

## 14 Financial commitments

At 31 December 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015:

	Land and buildings	
	2014 £	2013 £
Operating leases which expire:		
Between two and five years	200,000	-
In over five years	411,000	305,000
	611,000	305,000



# LVMH FG SERVICES UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

<b>15 Directors' remuneration</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	303,788	-
Remuneration disclosed above include the following amounts paid to the highest paid director:		
Remuneration for qualifying services	303,788	-

In 2014, Directors' remuneration was paid in respect of one director of the company. In the prior year, the directors did not receive any remuneration for their services to the company.

## **16 Employees**

### **Number of employees**

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

	<b>2014</b>	<b>2013</b>
	<b>Number</b>	<b>Number</b>
	43	42

<b>Employment costs</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Wages and salaries	8,367,195	7,639,480
Social security costs	1,118,575	923,602
Other pension costs	128,507	137,250
	9,614,277	8,700,332

## **17 Controlling Party**

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.

# **LVMH FG SERVICES UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2014***

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### **18 Related party relationships and transactions**

The voting rights of the company are entirely controlled by the ultimate parent undertaking, and the company has therefore taken advantage of the exemption available in FRS 8 and has not disclosed transactions with entities which are wholly owned by the group in these financial statements.