

Company Registration No. 08850177 (England and Wales)

**J BRAND EUROPE LTD**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 August 2021**

WEDNESDAY



\*ABB11ZMB\*

A10

31/08/2022

#19

COMPANIES HOUSE

**J BRAND EUROPE LTD**  
COMPANY INFORMATION

---

<b>Directors</b>	Y Arieven T Okazaki D Tandon K Yanai
<b>Secretary</b>	Vistra Company Secretaries Limited
<b>Company number</b>	08850177
<b>Registered office</b>	1 Marylebone High Street London W1U 4LZ
<b>Accountant</b>	Deloitte LLP Statutory Auditor 1 New Street Square London EC4A 3HQ United Kingdom

# J BRAND EUROPE LTD

## CONTENTS

---

	Page(s)
Directors' report	1-2
Profit and Loss account	3
Balance sheet	4
Statement of changes in equity	5
<i>Notes to the financial statements</i>	6-11

**J BRAND EUROPE LTD**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 August 2021**

---

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31 August 2021.

**Principal activities**

The principal activity of the Company was the sale of fashion clothing manufactured and supplied by group companies and sold via wholesale channels.

**Business Review**

In the financial year 20/21 the company has ceased trading.

**Results and dividends**

The results for the year are set out on page 3.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend (2020: £nil).

**Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Y Arieven  
T Okazaki  
D Tandon  
K Yanai

**Directors' indemnities**

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' Report.

**Financial instruments**

The company finances its activities with a combination of intercompany borrowings and cash. Other financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the company's operating activities.

Financial instruments give rise to foreign currency, interest rate, credit, price, cash flow and liquidity risk.

**Foreign currency risk**

The company buys stock in USD, with sales being made in GBP and EUR, therefore a foreign currency risk arises. The company does not hedge due to group policy therefore fluctuations in exchange rates could affect profitability of the company.

**Credit risk, price risk, liquidity and cash flow risk**

The company purchases inventory from group undertakings, at prices and terms set by the parent companies. In addition, the principal financing comes from intercompany borrowings. Accordingly all of these risks are interlinked and managed on a group-wide basis by the parent company.

**Going Concern**

Given that the company is being liquidated post year end, the accounts are prepared on a basis other than going concern. The company has now ceased to trade and will be liquidated within 12 months of the balance sheet date.

**Contingent liabilities**

The Directors confirm that there is a contingent liability in favour of HM Customs & Excise, please see note 17 for details.

**Post balance sheet events**

The Directors confirm that the intercompany loan has been renewed for another year after the date of the balance sheet, please see Note 17 for details.

**Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. The Directors have made use of the small companies exemption from preparing a Strategic report.

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), including FRS 101 "Reduced Disclosure Framework". 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; 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.

**J BRAND EUROPE LTD**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 August 2021**

---

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption under S415a of the Companies Act 2006.

This report was approved by the board and signed on its behalf



Y. Krievien  
Director

Date 26 August 2022

**J BRAND EUROPE LTD**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 August 2021**

	2021	2020
Notes	£	£
<b>Turnover</b>	3,677,660	4,848,755
<b>Cost of sales</b>	(4,117,195)	(2,962,684)
<b>Gross profit</b>	(439,535)	1,886,071
Other income	-	21,950
Distribution expenses	(224,335)	(235,643)
Administrative expenses	(895,538)	(1,753,022)
Other operating expense	(417,824)	-
<b>Operating (loss)/profit</b>	(1,977,233)	(80,643)
Interest payable	(42,428)	(17,441)
<b>(Loss)/Profit before taxation</b>	(2,019,660)	(98,084)
Tax on (loss)/profit	-	-
<b>(Loss)/Profit and total comprehensive (expense)/income for the financial year</b>	(2,019,660)	(98,084)

The profit and loss account has been prepared on the basis that all operations are discontinued after the balance sheet date. There was no other comprehensive income or expense in the year, therefore no separate statement is disclosed. All profits/(losses) are attributable to the equity shareholders of the Company.

**J BRAND EUROPE LTD**  
BALANCE SHEET  
AS AT 31 August 2021

	Notes	2021 £	2020 £
<b>Current assets</b>			
Stocks	5	-	2,301,660
Debtors	6	1,722	826,099
Cash at bank and in hand		177,672	1,733,763
		<u>179,394</u>	<u>4,861,521</u>
<b>Creditors: amounts falling due within one year</b>			
Creditors	7	137,843	3,178,139
Taxation and social security		-	16,371
		<u>137,843</u>	<u>3,194,510</u>
<b>Net current assets</b>		<u>41,550</u>	<u>1,667,010</u>
<b>Total assets less current liabilities</b>		<u>41,550</u>	<u>1,667,010</u>
<b>Net assets</b>		<u>41,550</u>	<u>1,667,010</u>
<b>Capital and reserves</b>			
Called up share capital	9	1,575,000	1,200,000
Profit and loss reserves	10	(1,533,450)	467,010
<b>Total equity</b>		<u>41,550</u>	<u>1,667,010</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the year ending 31 August 2021, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 26 August 2022 and are signed on its behalf by:

Y Arieven  
Director



Company Registration No. 08850177

**J BRAND EUROPE LTD**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 August 2021**

		Share capital	Retained earnings	Total
		£	£	£
	Notes			
Balance at 01 September 2019	9	1,200,000	565,094	1,765,094
Profit and total comprehensive income for the year		-	(98,084)	(98,084)
Balance at 31 August 2020		<u>1,200,000</u>	<u>486,210</u>	<u>1,667,010</u>
Issue of share capital		375,000		375,000
Loss and total comprehensive expense for the year	10	-	(2,019,660)	(2,019,660)
Balance at 31 August 2021		<u>1,575,000</u>	<u>(1,533,450)</u>	<u>41,550</u>

**J BRAND EUROPE LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 August 2021**

---

**1 Authorisation of financial statements and statement of compliance with FRS 101**

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The results of J Brand Europe Ltd are included in the consolidated financial statements of Fast Retailing Co., Ltd, who are the ultimate parent and produce publically available group financial statements. More details on the parent company can be found in Note 19.

J Brand Europe Ltd is incorporated in the United Kingdom and domiciled in England and Wales.

The principal accounting policies adopted by the Company are set out in note 3.

**2 Critical accounting judgements and key sources of estimation uncertainty**

In applying the Company's accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. In the course of preparing the financial statements, no critical judgements or estimates have been made in the process of applying the accounting policies that have had a significant effect on the amounts recognised in the financial statements.

**3 Accounting policies**

**Company information**

J Brand Europe Ltd is a private company limited by shares incorporated in the United Kingdom and registered in England and Wales. The registered office is 1 Marylebone High Street, London, W1U 4LZ. For the principal activities of the Company please see the Directors' Report on Page 1.

The Functional Currency of the Company is GBP.

**3.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements are prepared under the historical cost convention. The principle accounting policies adopted are set out below.

**3.2 Going concern**

The Directors have taken the decision to dissolve the company after the balance sheet date. The company has now ceased trading and will be liquidated within 12 months of the balance sheet date. The accounts therefore are prepared on a basis other than Going Concern. Please see the Directors Report on page 1. No adjustments have arisen as a result of ceasing to apply the going concern basis.

## J BRAND EUROPE LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 August 2021

---

#### 3 Accounting policies (continued)

##### 3.3 Turnover

Turnover is measured at the fair value of the consideration received and represents amounts receivable for goods and services provided in the normal course of business, net of returns, discounts, VAT and other sales related taxes. Sales of merchandise are recognised when title passes to the customer, either on receipt or collection. A provision for sales returns is made based on average historical return rates.

##### 3.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Leasehold land and buildings	10% straight line
Fixtures, fittings & equipment	20% straight line
Plant and machinery	25% straight line

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the assets may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

##### 3.5 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, transportation, duty and hanging costs and uses the weighted average cost formula. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

##### 3.6 Cash and cash equivalents

Cash and cash equivalents is made up of cash in hand and cash held in bank accounts.

##### 3.7 Financial assets

###### Initial Recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit and loss or loans and receivables as appropriate. The Company determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus directly attributable transaction costs.

###### Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

###### **Loans and receivables**

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance revenue in the profit or loss account. The losses arising from impairment are recognised in the profit and loss account in other operating expenses.

## **J BRAND EUROPE LTD**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 August 2021**

---

#### **3 Accounting policies (continued)**

##### **3.8 Financial liabilities**

###### **Initial recognition and measurement**

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

###### **Subsequent measurement**

The measurement of financial liabilities depends on their classification as follows:

###### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on liabilities held for trading are recognised in profit or loss.

##### **3.9 Trade and other debtors**

Trade and other debtors are recognised and carried at the lower of their original invoiced value and recoverable amount. There have been no expected credit losses or any other impact on adoption of IFRS 9.

##### **3.10 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

###### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

###### **Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

##### **3.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

##### **3.12 Retirement benefits**

The company operates a defined contribution pension scheme. Contributions are charged to the Profit and Loss account as they become payable in accordance with the rules of the scheme.

##### **3.13 Leases**

Leases where the lessor retains a significant portion of the risks and benefits of ownership of the asset are classified as operating leases and rentals payable are charged to profit or loss on a straight line basis over the lease term.

## **J BRAND EUROPE LTD**

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

**FOR THE YEAR ENDED 31 August 2021**

---

#### **3 Accounting policies (continued)**

##### **3.14 Foreign exchange**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency), currently GBP.

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying a monthly rate relevant for that transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

##### **3.15 Government grants**

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

All the compensations included have been in relation to the impact of the COVID-19 pandemic.

## J BRAND EUROPE LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 August 2021

#### 4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Admin	2	3
Sales	2	6
	<u>4</u>	<u>9</u>

#### 5 Stocks

	2021 £	2020 £
Finished goods	-	2,301,660
	<u>-</u>	<u>2,301,660</u>

#### 6 Debtors

	2021 £	2020 £
Trade debtors	-	935,917
Provision for bad and doubtful debts	-	(115,039)
	<u>-</u>	<u>820,878</u>
Other receivables	1,722	-
Prepayments	-	5,221
	<u>1,722</u>	<u>826,099</u>

Trade debtors disclosed above are classified as loans and receivables and are therefore measured at amortised cost. No amounts are due after more than one year.

#### 7 Creditors

	Due within one year 2021 £	2020 £
Trade creditors	-	68,892
Amounts due to fellow group undertakings	47,314	2,922,924
Accruals	90,529	186,323
	<u>137,843</u>	<u>3,178,139</u>

## J BRAND EUROPE LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 August 2021

#### 8 Retirement benefit schemes

##### Defined contribution schemes

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

The total costs charged to income in respect of defined contribution plans is £10,327.81 (2020 - £20,508). At the balance sheet date £nil (2020 - £nil) was prepaid to the scheme and £300 (2020 - £3,273) was owed to the scheme.

9 Share capital	2021	2020
	£	£
<b>Ordinary share capital</b>		
<b><i>Issued and fully paid</i></b>		
1,575,000 Ordinary shares of £1 each	1,575,000	1,200,000

#### 10 Retained earnings

	£
At 01 September 2020	486,210
Loss for the year	(2,019,660)
At 31 August 2021	(1,533,450)

#### 11 Contingent liabilities

There is a duty deferment guarantee in favour of HM Customs & Excise of £500,000 (2020 - £500,000).

#### 12 Post balance sheet events

There are no post balance sheet events.

#### 13 Related party transactions

The company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly-owned subsidiaries.

#### 14 Controlling party

The immediate parent undertaking is Fast Retailing UK Ltd, a company incorporated in the United Kingdom by virtue of the 100% shareholding in J Brand Europe Ltd, registered address 103-113 Regent Street London W1B 4HL.

The ultimate parent undertaking and controlling party is Fast Retailing Co., Ltd, a company incorporated in Japan.

The Company is included within these group accounts. The smallest and largest group of undertakings for which consolidated financial statements are prepared, in which these financial statements are consolidated, are those of Fast Retailing Co., Limited.

The financial statements of Fast Retailing Co., Ltd are available to the public and may be obtained from 717-1 Oaza Sayama, Yamaguchi city, Yamaguchi 754-0894, Japan.