

Agent Provocateur Parfum Limited

(Registered Number: 3847708)

Annual Report and Accounts For the year ended 31 March 2008

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Agent Provocateur Parfum Limited

Company Information

Directors	S.Rose G.Hogarth J.Dunstan Y.Johnson
Secretary	Y.Johnson
Company number	3847708
Registered office	154 Clerkenwell Road London EC1R 5AB
Auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Bankers	Barclays Bank Plc 1 Churchill Place London E14 5HP

Contents

	Page
Directors' report	1
Auditors report	4
Profit and loss account	6
Balance sheet	7
Notes to the accounts	8 - 13

Agent Provocateur Parfum Limited

Directors' Report for the year ended 31 March 2008

The Directors present their report and accounts for the year ended 31 March 2008.

Principal activities

The principal activity of the company is the licensing and sale of Agent Provocateur branded perfume products.

Review of the business

The company was purchased by Pearl Acquisitions Limited, part of a Group controlled by 3i Group plc, through various managed funds. The transaction was completed on 15 November 2007.

The Company made an EBITDA of £254,947 (2007: £337,478) on a turnover of £1,156,516 (2007: £1,283,552)

The Directors believe the business is in a position to gain benefit from future material improvements in turnover as the distribution channels improve and grow.

The business is managed at the Pearl (AP) Group level, the Key Performance Indicators (KPIs) used to manage the business are described below:

The Directors use various measures to assess the performance of the business at a store level and for the overall business the most significant are changes in like-for-like sales and EBITDA. Like-for-like sales changes reflect the change in sales recorded in the same stores on a year-on-year basis.

The measure which, in the opinion of the Directors, gives the best indication of the business' performance is earnings before interest, tax, depreciation and amortisation ("EBITDA") and will normally exclude the effect of exceptional or one-off items. This has been highlighted in the Pearl (AP) Group Limited accounts and will be measured on a consistent basis in future years.

Results and dividends

The profit for the year after taxation amounted to £169,105 (2007: £239,346).

The directors do not recommend payment of a dividend, no dividends have been paid during the year.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of credit risk, liquidity risk and interest rate risk. The company seeks to limit the adverse effects on the financial performance of the company by monitoring levels of cash holdings, debt finance and the related finance costs.

These risks as detailed below are managed at the Pearl (AP) Group Limited level

The responsibility of monitoring financial risk management rests with the board of Pearl (AP) Group Limited. The policies are implemented by the company's finance department. The department has specific guidelines within which it manages interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these.

Agent Provocateur Parfum Limited

Directors' Report for the year ended 31 March 2008

Credit risk

Where sales are made to distributors credit checks are undertaken to help the business understand the risk. Where the Directors have been unable to gain comfort over the credit risk, payment is required to be made in advance.

Liquidity risk

The company's funding is provided by its parent company, Pearl (AP) Group Limited. It has some short term facilities that are in place to ensure the company has sufficient available funds for operations and planned expansions.

Interest rate cash flow risk

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets comprise of only cash balances, all of which earn interest at floating rate. The company's short term facilities attract interest at a floating rate.

Directors

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

JF Corre (resigned 13 December 2007)
SM Rees (resigned 13 December 2007)
R Aldington (appointed 13 December 2007, resigned 17 June 2008)
S Rose (appointed 15 November 2007)
J Dunstan (appointed 15 November 2007)
G Hogarth (appointed 13 December 2007)
Y Johnson (appointed 16 June 2008)

Disclosure of information to auditors

As far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and they have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Agent Provocateur Parfum Limited

Directors' Report (continued)

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 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). 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.

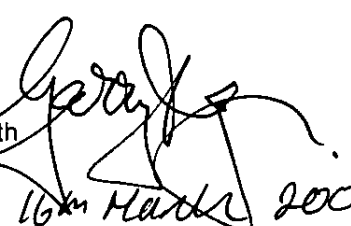
In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

On behalf of the Board


G. Hogarth
Director
Dated: 16th March 2009

Independent Auditors' Report To The Members Of Agent Provocateur Parfum Limited

We have audited the financial statements of Agent Provocateur Parfum Limited for the year ended 31 March 2008 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent Auditors' Report To The Members Of Agent Provocateur Parfum Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

19 March 2009

Agent Provocateur Parfum Limited

Profit and loss account for the year ended 31 March 2008

	Notes	2008 £	2007 £
Turnover	2	1,156,516	1,283,552
Cost of sales		(737,781)	(762,613)
Gross profit		418,735	520,939
Administration expenses		(176,744)	(188,643)
Operating profit	3	241,991	332,296
Analysed as			
Earnings before interest, tax, depreciation and Amortisation ("EBITDA")		254,947	337,478
Depreciation	8	(12,956)	(5,182)
Interest payable and similar charges	6	-	12,162 (418)
Profit on ordinary activities before interest taxation		242,007	344,040
Tax on profit on ordinary activities	7	(72,902)	(104,694)
Profit on ordinary activities after taxation		169,105	239,346

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.

There is no difference between the profit on ordinary activities before taxation and the profit for the period stated above and their historical cost equivalents.

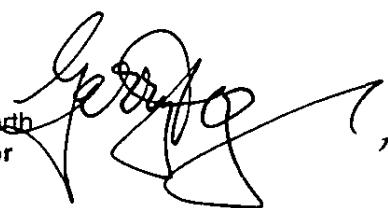
Agent Provocateur Parfum Limited

Balance sheet at 31 March 2008

	Notes	2008 £	£	2007 £	£
Fixed Assets					
Tangible assets	8		66,552		34,821
Current assets					
Debtors	9	142,328		283,893	
Cash at bank and in hand		946,312		506,514	
		1,088,640		790,407	
Creditors: amounts falling due within one year	10	(461,908)		(303,949)	
Net current assets			626,732		486,458
Total assets less current liabilities			693,284		521,279
Provisions for liabilities and charges	11		(7,650)		(4,750)
			685,634		516,529
Capital and reserves					
Share capital	12	100,000		100,000	
Profit and loss account		585,634		416,529	
Shareholder's funds	13		685,634		516,529

The accounts were approved by the Board on 16th March 2009 and signed on its behalf by:

G Hogarth
Director



Agent Provocateur Parfum Limited

Notes to the accounts for the year ended 31 March 2008

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention.

Cash flow statement

Pearl (AP) Group Limited has presented in its consolidated financial statements a group cash flow statement drawn up in accordance with the provisions of FRS 1. Accordingly the company has taken advantage of the exemption available under FRS 1 to dispense with presenting its own cash flow statement.

Turnover

Turnover represents royalty revenue which is recognised when a royalty is earned by the distributor. Royalties are principally earned in connection with the distribution of Agent Provocateur perfume.

Tangible fixed assets and depreciation

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

Fixtures and fittings 4 years

Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction.

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

2 Turnover

Geographical market

	Turnover	
	2008 £	2007 £
United Kingdom	359,211	866,306
Rest of world	797,306	417,246
	1,156,516	1,283,552

Agent Provocateur Parfum Limited

Notes to the accounts for the year ended 31 March 2008 (continued)

3 Operating profit

	2008	2007
	£	£
Operating profit is stated after charging:		
Depreciation of owned tangible fixed assets	12,956	5,182
Auditors' remuneration - fees for audit of the Company	10,000	7,000

4 Employees

Other than the directors there were no employees during the year.

The directors received no remuneration for their services to the Company.

5 Interest receivable and similar income

	2008	2007
	£	£
Interest receivable and similar income	16	12,162

6 Interest payable and similar charges

	2008	2007
	£	£
Late payment of tax	-	418

Agent Provocateur Parfum Limited

Notes to the accounts for the year ended 31 March 2008 (continued)

7 Tax on profit on ordinary activities

	2008 £	£	2007 £	£
Current tax				
<i>UK corporation tax</i>				
Current tax on income for the period	70,002		99,944	
		70,002		99,944
Deferred tax				
Origination and reversal of timing differences	2,900		4,750	
		2,900		4,750
		72,902		104,694
Factors affecting the tax charge for the year				
Profit on ordinary activities before taxation		242,007		344,040
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30% (2007: 30%)		72,602		103,212
Effects of:				
Capital allowances for period in excess of depreciation		(2,900)		(1,020)
Disallowable expenditure		300		-
Movement in tax losses		-		(2,248)
Current tax charge		70,002		99,944

Agent Provocateur Parfum Limited

Notes to the accounts for the year ended 31 March 2008 (continued)

8 Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 April 2007	41,448
Additions	44,687
At 31 March 2008	86,135
Depreciation	
At 1 April 2007	6,627
Charge for the year	12,956
At 31 March 2008	19,583
Net book amount	
At 31 March 2008	66,552
At 31 March 2007	34,821

9 Debtors

	2008 £	2007 £
Trade debtors	135,996	126,054
Other debtors	6,332	39,597
Prepayments and accrued income	-	118,242
	142,328	283,893

10 Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	119,840	88,215
Amounts owed to group undertakings	89,444	495
Corporation tax	70,002	99,944
Accruals and deferred income	182,622	115,295
	461,908	303,949

A cross guarantee is held by the bank for a loan held by Agent Provocateur Ltd and is secured on assets held by Agent Provocateur Ltd, Agent Provocateur Inc and Agent Provocateur Parfum Ltd.

Agent Provocateur Parfum Limited

Notes to the accounts for the year ended 31 March 2008 (continued)

11 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 April 2007	4,750
Profit and loss account	2,900
Balance at 31 March 2008	7,650

Deferred tax is provided at 28% (2007: 30%) analysed over the following timing differences:

	2008 £	2007 £
Accelerated capital allowances	7,650	4,750

12 Share capital

	2008 £	2007 £
Authorised		
1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	100,000	100,000

13 Reconciliation of movements in shareholder's funds

	£	£
Profit for the financial year	169,105	239,346
Opening shareholder's funds	516,529	277,183
Closing shareholder's funds	685,634	516,529

Agent Provocateur Parfum Limited

Notes to the accounts for the year ended 31 March 2008 (continued)

14 Related party transactions

The company trades in the ordinary course of business with Agent Provocateur Limited.

During the year sales totalling £359,211 (2007:£417,246) were made to Agent Provocateur Limited. At the period end Agent Provocateur Parfum Limited owed £ 89,444 (2007: debtor £495) to Agent Provocateur Limited.

Furthermore, Agent Provocateur Parfum Limited pays administrative services to Agent Provocateur Limited. Management services due in the period amounted to £16,800 (2007:£18,200).

During the year ended 31 March 2008, £407,088 (2007: £433,153) royalties were payable to Agent Provocateur Limited.

15 Controlling party

At 31 March 2008, the Directors consider that 3i Group plc, through various managed funds, is considered to be the company's ultimate controlling party.

Copies of the consolidated financial statements of 3i Group plc are available from 16 Palace Street, London, SW1E 5JD.

The immediate parent is Pearl Acquisitions Limited and the smallest parent company into which the company's results are consolidated is Pearl (AP) Group Limited.

