Registration number: 10811237

Newbie by KappAhl Limited

Annual Report and Financial Statements

for the Period from 9 June 2017 to 31 August 2018



Newbie by KappAhl Limited

Contents

Company Information	1
Directors' Report	2
Statement of Directors' Responsibilities	3
Independent Auditor's Report	4 to 6
Profit and Loss Account and Statement of Retained Earnings	7
Balance Sheet	8
Notes to the Financial Statements	9 to 20

Newbie by KappAhl Limited

Company Information

Directors	J C Wernlund
	L M Segergren
Company secretary	Goodwille Limited
Registered office	St. James House 13 Kensington Square London W8 5HD
Auditors	Bourner Bullock Sovereign House 212-224 Shaftesbury Avenue London WC2H 8HQ

Newbie by KappAhl Limited

Directors' Report for the Period from 9 June 2017 to 31 August 2018

The directors present their report and the financial statements for the period from 9 June 2017 to 31 August 2018.

Incorporation
The Company was incorporated on 9 June 2017 and commenced trading on 19 October 2017.

Principal activity
The principal activity of the company is the sale of baby clothing.

Directors of the Company
The directors who held office during the period were as follows:

J C Wernlund (appointed 9 June 2017)

L M Segergren (appointed 27 November 2017)

A J F During (appointed 9 June 2017 and resigned 27 November 2017)

A K Raftegard (appointed 9 June 2017 and resigned 27 November 2017)

Small companies provision statement
This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 23.10.18 and signed on its behalf by:

.....
Goodwille Limited
Company secretary

Newbie by KappAhl Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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). 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 apply them consistently;
- make judgements and accounting 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; 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.

The directors confirm that so far as they are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the company's auditors are unaware. They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Newbie by KappAhl Limited

Independent Auditor's Report to the Members of Newbie by KappAhl Limited

Opinion

We have audited the financial statements of Newbie by KappAhl Limited (the 'Company') for the period from 9 June 2017 to 31 August 2018, which comprise the Profit and Loss Account and Statement of Retained Earnings, Balance Sheet, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2018 and of its profit for the period 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the Members of Newbie by KappAhl Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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 directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report; 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 3], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Newbie by KappAhl Limited

Independent Auditor's Report to the Members of Newbie by KappAhl Limited

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Bourner Bullock

David Wheeler (Senior Statutory Auditor)
For and on behalf of Bourner Bullock, Statutory Auditor

Sovereign House
212-224 Shaftesbury Avenue
London
WC2H 8HQ

Date: 22/10/18

Newbie by KappAhl Limited

Statement of Income and Retained Earnings for the Period from 9 June 2017 to 31 August 2018

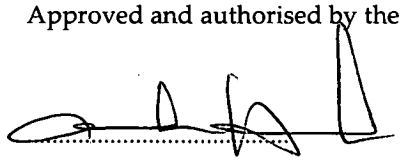
	Note	2018 £
Turnover	3	1,414,745
Cost of sales		(555,140)
Gross profit		859,605
Administrative expenses		(1,734,133)
Other operating income	4	932,818
Operating profit	5	58,290
Interest payable and similar charges	6	(22,202)
		(22,202)
Profit before tax		36,088
Taxation	9	(22,534)
Profit for the financial period		13,554
Retained earnings brought forward		-
Retained earnings carried forward		13,554

Newbie by KappAhl Limited

(Registration number: 10811237)
Balance Sheet as at 31 August 2018

	Note	2018 £
Fixed assets		
Tangible assets	10	510,683
Current assets		
Stock	11	119,770
Debtors	12	550,285
Cash at bank and in hand		11,944
		681,999
Creditors: Amounts falling due within one year	14	(1,160,105)
Net current liabilities		(478,106)
Total assets less current liabilities		32,577
Provisions for liabilities	16	(18,023)
Net assets		14,554
Capital and reserves		
Called up share capital	18	1,000
Profit and loss account		13,554
Total equity		14,554

Approved and authorised by the Board on 23.10.18 and signed on its behalf by:



J C Wernlund
Director

Newbie by KappAhl Limited

Notes to the Financial Statements for the Period from 9 June 2017 to 31 August 2018

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:
St. James House
13 Kensington Square
London
W8 5HD
United Kingdom

Principal Activity
The principal activity of the comany is the sale of baby clothing.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance
These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation
These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Summary of disclosure exemptions
As a Qualifying Entity, the individual company has taken advantage of the exemption, under Section 1.12 of FRS 102, not to prepare a Statement of Cash Flows, or to disclose key management personnel compensation. It has also taken advantage of the exemption under Section 33.1A of FRS 102 not to disclose related party transactions between the company and its parent company, which is the ultimate parent company.

Name of parent of group
These financial statements are consolidated in the financial statements of KappAhl AB.

The financial statements of KappAhl AB may be obtained from Idrottssvagen 14, Box 303, Se-431 24 Molndal, Sweden.

Notes to the Financial Statements for the Period from 9 June 2017 to 31 August 2018

Going concern

The company is dependent on the support of its parent company to continue as a going concern. Confirmation of this support has been provided and the directors consider it appropriate to prepare the accounts on a going concern basis.

Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. In the Directors' opinion there are no significant judgements or key sources of estimation uncertainty.

Turnover recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities. Turnover is shown net of value added tax, returns, rebates and discounts.

The Company recognises revenue when:
The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the Company's activities.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold improvements	1-5 years straight line

Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Stock

Stock are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

Debtors

Basic financial assets, including trade and other debtors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment,

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Creditors

Basic financial liabilities, including trade and other creditors, loans from third parties and loans from related parties, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Such instruments are subsequently carried at amortised cost using the effective interest method, less any impairment.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the Company has an obligation at the reporting date as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Turnover

The analysis of the company's turnover for the period from continuing operations is as follows:

	2018 £
Sale of goods	1,414,745

The analysis of the company's turnover for the period by market is as follows:

	2018 £
UK	1,414,745

4 Other operating income

The analysis of the company's other operating income for the period is as follows:

	2018 £
Miscellaneous other operating income	932,818

5 Operating profit

Arrived at after charging/(crediting)

	2018 £
Depreciation expense	258,408

6 Interest payable and similar expenses

	2018 £
Interest expense	22,202

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2018 £
Wages and salaries	261,812
Social security costs	13,470
Pension Costs	2,744
Recruitment and training	9,419
	287,445

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows:

	2018 No.
Sales, marketing and distribution	16

8 Auditors' remuneration

	2018 £
Audit of the financial statements	4,750
Other fees to auditors	
Taxation compliance services	450
All other non-audit services	1,250
	1,700

9 Taxation

Tax charged/(credited) in the income statement

	2018 £
Current taxation	
UK corporation tax	8,011
Deferred taxation	
Arising from origination and reversal of timing differences	14,523
Tax expense in the income statement	22,534

The tax on profit before tax for the period is higher than the standard rate of corporation tax in the UK of 19%.

The differences are reconciled below:

	2018 £
Profit before tax	36,088
Corporation tax at standard rate	6,857
Effect of expense not deductible in determining taxable profit (tax loss)	(1,582)
Tax increase from effect of capital allowances and depreciation	1,975
Other tax effects for reconciliation between accounting profit and tax expense (income)	15,284
Total tax charge	22,534

Deferred tax

Deferred tax assets and liabilities

2018	Asset £	Liability £
General provisions	761	-
Accelerated capital allowances	-	15,284
	761	15,284

10 Tangible assets

	Short leasehold £	Total £
Cost or valuation		
Additions	769,091	769,091
At 31 August 2018	769,091	769,091
Depreciation		
Charge for the period	258,408	258,408
At 31 August 2018	258,408	258,408
Carrying amount		
At 31 August 2018	510,683	510,683

11 Stock

	2018 £
Stock	119,770

The cost of stock recognised as an expense in the period amounted to £390,037.

12 Debtors

	2018 £
Sundry debtors	387,027
Prepayments	163,258
	550,285

13 Cash and cash equivalents

	2018 £
Cash at bank	11,944
Bank overdrafts	(493,102)
Cash at bank and in hand	(481,158)

The company has a bank pooling agreement with other group companies.

14 Creditors

	Note	2018 £
Due within one year		
Loans and borrowings	15	493,102
Trade creditors		160,718
Amounts owed to group undertakings		301,611
Social security and other taxes		6,800
Other payables		2,287
Accruals		187,576
Corporation tax liability	9	8,011
		1,160,105

15 Loans and borrowings

	2018 £
Current loans and borrowings	
Bank overdrafts	493,102

16 Deferred tax and other provisions

	Deferred tax	Other provisions	Total
	£	£	£
Provisions	-	3,500	3,500
Deferred tax liabilities	14,523	-	14,523
At 31 August 2018	14,523	3,500	18,023

17 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £2,744.

Contributions totalling £1,061 were payable to the scheme at the end of the year and are included in creditors.

18 Share capital

Allotted, called up and not fully paid shares

	2018	
	No.	£
Ordinary shares of £1 each	1,000	1,000

New shares allotted

During the period 1,000 Ordinary shares having an aggregate nominal value of £1,000 were allotted for an aggregate consideration of £1,000.

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:
The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights.

19 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2018 £
Not later than one year	346,000
Later than one year and not later than five years	495,000
Later than five years	50,000
	891,000

The amount of non-cancellable operating lease payments recognised as an expense during the period was £247,299.

20 Dividends

There were no dividends paid or proposed in the current period.

21 Parent and ultimate parent undertaking

The company's immediate parent is KappAhl Sverige AB, incorporated in Sweden.

The most senior parent entity producing publicly available financial statements is KappAhl AB. These financial statements are available upon request from Idrottssvagen 14, Box 303, Se-431 24 Molndal, Sweden.

The parent of the largest and smallest group in which these financial statements are consolidated is KappAhl AB.