

Registered number. 03693527

**DONNA KARAN MANAGEMENT COMPANY UK LTD**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**for the year ended 31 December 2012**

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**DONNA KARAN MANAGEMENT COMPANY UK LTD**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	P Kalberer M Weber
<b>COMPANY SECRETARY</b>	L E Usdan Jordan Cosec Limited
<b>REGISTERED NUMBER</b>	03693527
<b>REGISTERED OFFICE</b>	20-22 Bedford Row London WC1R 4JS

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**DONNA KARAN MANAGEMENT COMPANY UK LTD**

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## **DONNA KARAN MANAGEMENT COMPANY UK LTD**

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### **DIRECTORS' REPORT for the year ended 31 December 2012**

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The directors present their report and the financial statements for the year ended 31 December 2012

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the directors' 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 then apply them consistently,
- make judgments 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,
- 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.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company during the year continued to be the provision of assistance to fellow group companies in relationships and contacts with European suppliers, and with other general commercial advice as required. The activity is expected to continue for the foreseeable future.

The performance of the business in the year is in line with the directors' plans.

#### **DIRECTORS**

The directors who served during the year were

P Kalberer  
M Weber

#### **GOING CONCERN**

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors have taken notice of the Financial Reporting Council guidance 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009' which requires the reasons for this decision to be explained. The financial statements have been prepared using the going concern assumption as the directors of the ultimate parent undertaking, LVMH Moët Hennessy Louis Vuitton SA, have provided the directors of the company with a letter of support confirming that the ultimate parent company will provide continued financial support for the next 12 months.

**DONNA KARAN MANAGEMENT COMPANY UK LTD**

**DIRECTORS' REPORT**  
for the year ended 31 December 2012

**DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information

**AUDITOR**

The auditor, Crowe Clark Whitehill LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on *September 25, 2013* and signed on its behalf



**P Kalberer**  
Director

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## **DONNA KARAN MANAGEMENT COMPANY UK LTD**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DONNA KARAN MANAGEMENT COMPANY UK LTD**

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We have audited the financial statements of Donna Karan Management Company UK Ltd for the year ended 31 December 2012, set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

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 directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. 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 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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**DONNA KARAN MANAGEMENT COMPANY UK LTD**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DONNA KARAN MANAGEMENT COMPANY  
UK LTD**

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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, 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' exemption in preparing the directors' report

Keith Newman (senior statutory auditor)

for and on behalf of

**Crowe Clark Whitehill LLP**

Statutory Auditor

10 Palace Avenue

Maidstone

Kent

ME15 6NF

Date 28 September 2013

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**DONNA KARAN MANAGEMENT COMPANY UK LTD**

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**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 December 2012

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	Note	2012 £	2011 £
<b>TURNOVER</b>	1	<b>612,682</b>	<b>573,483</b>
Administrative expenses		<b>(578,705)</b>	<b>(534,017)</b>
<b>OPERATING PROFIT</b>	2	<b>33,977</b>	<b>39,466</b>
Interest payable and similar charges		<b>(1,089)</b>	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>32,888</b>	<b>39,466</b>
Tax on profit on ordinary activities	3	<b>(10,292)</b>	<b>(25,301)</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	9	<b>22,596</b>	<b>14,165</b>

The notes on pages 7 to 10 form part of these financial statements



**DONNA KARAN MANAGEMENT COMPANY UK LTD**  
Registered number: 03693527

**BALANCE SHEET**  
as at 31 December 2012

	Note	£	2012 £	£	2011 £
<b>CURRENT ASSETS</b>					
Debtors	5	789,980		771,631	
<b>CREDITORS'</b> amounts falling due within one year	6	(24,325)		(28,572)	
<b>NET CURRENT ASSETS</b>			<u>765,655</u>		<u>743,059</u>
<b>NET ASSETS</b>			<u><u>765,655</u></u>		<u><u>743,059</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	8		2		2
Profit and loss account	9		<u>765,653</u>		<u>743,057</u>
<b>SHAREHOLDERS' FUNDS</b>			<u><u>765,655</u></u>		<u><u>743,059</u></u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
*September 25, 2013.*



**P Kalberer**  
Director

The notes on pages 7 to 10 form part of these financial statements

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**DONNA KARAN MANAGEMENT COMPANY UK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2012

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**1. ACCOUNTING POLICIES**

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors have taken notice of the Financial Reporting Council guidance 'Going Concern and Liquidity Risk Guidance for Directors of UK Companies 2009' which requires the reasons for this decision to be explained. The financial statements have been prepared using the going concern assumption as the directors of the ultimate parent undertaking, LVMH Moët Hennessy Louis Vuitton SA, have provided the directors of the company with a letter of support confirming that the ultimate parent company will provide continued financial support for the next 12 months.

**1.2 CASH FLOW**

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

**1.3 TURNOVER**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

**1.4 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & fittings	-	7 years straight line
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**1.5 FOREIGN CURRENCIES**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

**2. OPERATING PROFIT**

During the year, no director received any emoluments (2011 - £NIL)

**DONNA KARAN MANAGEMENT COMPANY UK LTD**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2012

**3. TAXATION**

	2012 £	2011 £
<b>ANALYSIS OF TAX CHARGE IN THE YEAR</b>		
<b>CURRENT TAX</b>		
UK corporation tax charge on profit for the year	8,039	9,962
Adjustments in respect of prior periods	1,775	17,249
<b>TOTAL CURRENT TAX</b>	<b>9,814</b>	<b>27,211</b>
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	478	477
Adjustments in respect of prior periods	-	(2,578)
Effect of tax rate change on opening balance	-	191
<b>TOTAL DEFERRED TAX</b> (see note 7)	<b>478</b>	<b>(1,910)</b>
<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>10,292</b>	<b>25,301</b>

**4 TANGIBLE FIXED ASSETS**

	<b>Fixtures &amp; fittings £</b>
<b>COST</b>	
At 1 January 2012 and 31 December 2012	<b>4,863</b>
<b>DEPRECIATION</b>	
At 1 January 2012 and 31 December 2012	<b>4,863</b>
<b>NET BOOK VALUE</b>	
At 31 December 2012	-
<i>At 31 December 2011</i>	-

**5. DEBTORS**

	2012 £	2011 £
Amounts owed by group undertakings	769,428	759,624
Other debtors	19,120	10,097
Deferred tax asset (see note 7)	1,432	1,910
	<b>789,980</b>	<b>771,631</b>

**DONNA KARAN MANAGEMENT COMPANY UK LTD**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2012

**6. CREDITORS:  
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2012	2011
	£	£
Trade creditors	9,411	1,361
Corporation tax	-	27,211
Other creditors	14,914	-
	<b>24,325</b>	<b>28,572</b>
	<b>24,325</b>	<b>28,572</b>

**7. DEFERRED TAX ASSET**

	2012	2011
	£	£
At beginning of year	1,910	-
(Charge for)/released during year (P&L)	(478)	1,910
	<b>1,432</b>	<b>1,910</b>
	<b>1,432</b>	<b>1,910</b>

The deferred tax asset is made up as follows

	2012	2011
	£	£
Accelerated capital allowances	(1,432)	(1,910)
	<b>(1,432)</b>	<b>(1,910)</b>

**8. SHARE CAPITAL**

	2012	2011
	£	£
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
2 Ordinary shares of £1 each	2	2
	<b>2</b>	<b>2</b>

**9. RESERVES**

	<b>Profit and loss account</b>
	£
At 1 January 2012	743,057
Profit for the financial year	22,596
	<b>765,653</b>
At 31 December 2012	<b>765,653</b>

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**DONNA KARAN MANAGEMENT COMPANY UK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2012**

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**10. RELATED PARTY TRANSACTIONS**

In accordance with FRS 8 Related Party Disclosures, the company is exempt from disclosing transactions with entities that are part of its group, or investees in the group qualifying as related parties, as it is a 100% subsidiary of a parent publishing consolidated financial statements

**11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The immediate parent undertaking is Donna Karan Company Stores UK Holdings Limited, a company registered in England and Wales

The directors consider the ultimate parent to be LVMH Moet Hennessy Louis Vuitton SA LVMH Moet Hennessy Louis Vuitton SA is the parent undertaking of the smallest and largest group in which the financial statements of the company are consolidated

Copies of these financial statements can be obtained from 22 Avenue Montaigne, 75008 Paris, France