


Registered number 03693527

DONNA KARAN MANAGEMENT COMPANY UK LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

TUESDAY FRIDAY



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A02 30/09/2016 #209
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A07 04/10/2016 #176
COMPANIES HOUSE

8/10/15

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for

DONNA KARAN MANAGEMENT COMPANY UK LTD

COMPANY INFORMATION

DIRECTORS	P Kalberer C Brown (appointed 2 February 2015)
COMPANY SECRETARY	L E Usdan Jordan Cosec Limited
REGISTERED NUMBER	03693527
REGISTERED OFFICE	20-22 Bedford Row London WC1R 4JS

DONNA KARAN MANAGEMENT COMPANY UK LTD

CONTENTS

	Page
Directors' report	1 - 2
Independent auditor's report	2 - 4
Statement of comprehensive income	5
Balance sheet	6
Statement of changes in equity	7
Notes to the financial statements	8 - 15

DONNA KARAN MANAGEMENT COMPANY UK LTD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

The directors present their report and the financial statements for the year ended 31 December 2015

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 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.

DIRECTORS

The directors who served during the year were

P Kalberer
C Brown (appointed 2 February 2015)

GOING CONCERN

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 annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies in the financial statements.

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 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 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.
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DONNA KARAN MANAGEMENT COMPANY UK LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015**

AUDITOR

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

SMALL COMPANIES NOTE

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 29 September 2016 and signed on its behalf



P Kalberer
Director

DONNA KARAN MANAGEMENT COMPANY UK LTD

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

We have audited the financial statements of Donna Karan Management Company UK Ltd for the year ended 31 December 2015, set out on pages 5 to 15. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 on page 1, 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 Financial Reporting Council'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 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 2015 and of its profit or loss 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 directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements.

DONNA KARAN MANAGEMENT COMPANY UK LTD

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

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 take advantage of the small companies' exemption from the requirement to prepare a strategic report or 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

30 September 2016

DONNA KARAN MANAGEMENT COMPANY UK LTD

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £	2014 £
Turnover		702,209	645,879
GROSS PROFIT		<u>702,209</u>	<u>645,879</u>
Administrative expenses		(662,463)	(609,450)
OPERATING PROFIT	4	<u>39,746</u>	<u>36,429</u>
Tax on profit	6	(8,142)	(29,036)
PROFIT FOR THE YEAR		<u><u>31,604</u></u>	<u><u>7,393</u></u>

There was no other comprehensive income for 2015 (2014 £NIL)

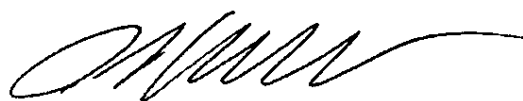
DONNA KARAN MANAGEMENT COMPANY UK LTD
REGISTERED NUMBER. 03693527

BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	£	2015 £	£	2014 £
CURRENT ASSETS					
Debtors amounts falling due within one year	8	876,165		840,061	
		<u>876,165</u>		<u>840,061</u>	
Creditors amounts falling due within one year	9	(32,554)		(28,054)	
NET CURRENT ASSETS			843,611		812,007
NET ASSETS			<u>843,611</u>		<u>812,007</u>
CAPITAL AND RESERVES					
Called up share capital	13		2		2
Profit and loss account			843,609		812,005
			<u>843,611</u>		<u>812,007</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2016



P Kalberer
Director

The notes on pages 8 to 15 form part of these financial statements

DONNA KARAN MANAGEMENT COMPANY UK LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	2	812,005	812,007
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the year	-	31,604	31,604
AT 31 DECEMBER 2015	<u>2</u>	<u>843,609</u>	<u>843,611</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2014	2	804,612	804,614
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the year	-	7,393	7,393
AT 31 DECEMBER 2014	<u>2</u>	<u>812,005</u>	<u>812,007</u>

The notes on pages 8 to 15 form part of these financial statements

DONNA KARAN MANAGEMENT COMPANY UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1 GENERAL INFORMATION

Donna Karan Management Company UK Limited ('the company') supports the sales operations for Donna Karan UK wholesale customers

The company is incorporated in the UK. The address of its registered office is 20-22 Bedford Row, London, WC1R 4JS

2 ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006

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 of accounting in preparing the annual financial statements

Information on the impact of first-time adoption of FRS 101 is given in note 11

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3)

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101

- the requirements of IFRS 7 Financial Instruments Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of
 - paragraph 79(a)(iv) of IAS 1,
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment,
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes

Revenue is recognised at point of sale

DONNA KARAN MANAGEMENT COMPANY UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

2 ACCOUNTING POLICIES (CONTINUED)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

<i>Fixtures & fittings</i>	- 7 years straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.5 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.

**3 JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

The company makes judgements, estimates and assumptions that affect the application of policies and the carrying value of assets and liabilities, income and expenses. The resulting accounting estimates calculated using these judgements will, by definition, seldom equal the related actual results but are based on the experience of the directors and the expectations of future events. The estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

4 OPERATING PROFIT

During the year, no director received any emoluments (2014 - £NIL)

DONNA KARAN MANAGEMENT COMPANY UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

5. EMPLOYEES

Staff costs were as follows

	2015 £	2014 £
Wages and salaries	374,119	345,108
Social security costs	47,869	42,825
	<u>421,988</u>	<u>387,933</u>

The average monthly number of employees, including the directors, during the year was as follows

	2015 No	2014 No
	<u>7</u>	<u>5</u>

6 TAXATION

	2015 £	2014 £
CORPORATION TAX		
Current tax on profits for the year	8,907	7,914
Adjustments in respect of previous periods	-	20,938
	<u>8,907</u>	<u>28,852</u>
TOTAL CURRENT TAX		
	<u>8,907</u>	<u>28,852</u>
DEFERRED TAX		
Origination and reversal of timing differences	(807)	184
Changes to tax rates	42	-
	<u>(765)</u>	<u>184</u>
TOTAL DEFERRED TAX		
	<u>(765)</u>	<u>184</u>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES		
	<u>8,142</u>	<u>29,036</u>

DONNA KARAN MANAGEMENT COMPANY UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

6 TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%). The differences are explained below

	2015 £	2014 £
Profit on ordinary activities before tax	<u>39,746</u>	<u>36,429</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%)	8,047	7,830
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	282
Adjustments to tax charge in respect of prior periods	-	20,938
Differences due to deferred tax rate being lower than standard CT rate	95	(14)
TOTAL TAX CHARGE FOR THE YEAR	<u><u>8,142</u></u>	<u><u>29,036</u></u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges

DONNA KARAN MANAGEMENT COMPANY UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

7 TANGIBLE FIXED ASSETS

	Fixtures & fittings £
COST OR VALUATION	
At 1 January 2015	4,863
At 31 December 2015	<u>4,863</u>
DEPRECIATION	
At 1 January 2015	4,863
At 31 December 2015	<u>4,863</u>
NET BOOK VALUE	
At 31 December 2015	<u>-</u>
At 31 December 2014	<u>-</u>

8 DEBTORS

	2015 £	2014 £
Trade debtors	833	-
Amounts owed by group undertakings	851,868	829,319
Other debtors	21,862	9,905
Deferred taxation	1,602	837
	<u>876,165</u>	<u>840,061</u>

DONNA KARAN MANAGEMENT COMPANY UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

9 CREDITORS Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	-	533
Amounts owed to group undertakings	-	11,959
Corporation tax	27,554	10,564
Other creditors	5,000	4,998
	<u>32,554</u>	<u>28,054</u>

10 FINANCIAL INSTRUMENTS

	2015	2014
	£	£
FINANCIAL ASSETS		
Financial assets that are debt instruments measured at amortised cost	874,563	839,225
	<u>874,563</u>	<u>839,225</u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	(5,000)	(17,490)
	<u>(5,000)</u>	<u>(17,490)</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors and amounts owed to group undertakings

Financial Liabilities measured at amortised cost comprise other creditors

DONNA KARAN MANAGEMENT COMPANY UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

11 DEFERRED TAXATION

	2015 £
At beginning of year	837
Charged to the profit or loss	765
AT END OF YEAR	<u><u>1,602</u></u>
The deferred tax asset is made up as follows	
	2015 £
Accelerated capital allowances	652
Short term timing differences	950
	<u><u>1,602</u></u>

12 RELATED PARTY TRANSACTIONS

The company has taken advantage of the provisions of FRS 101 paragraph 8(k) which exempts qualifying entities from disclosing related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by a member of that group

13 SHARE CAPITAL

	2015 £	2014 £
Shares classified as equity		
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u><u>2</u></u>	<u><u>2</u></u>

14 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Donna Karan Company Stores UK Holding Limited

The directors consider the ultimate parent undertaking to be LVMH Moët Hennessy Louis Vuitton SE. LVMH Moët Hennessy Louis Vuitton SE 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