

Registered number: 03693527

DONNA KARAN MANAGEMENT COMPANY UK LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2017

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DONNA KARAN MANAGEMENT COMPANY UK LTD

COMPANY INFORMATION

DIRECTORS	J Goldfarb (appointed 1 December 2016) M Goldfarb (appointed 1 December 2016) W Miller (appointed 1 December 2016) N Nackman (appointed 1 December 2016)
COMPANY SECRETARY	Jordan Cosec Limited
REGISTERED NUMBER	03693527
REGISTERED OFFICE	Suite 1 3rd Floor 11-12 St. James's Square London SW1Y 4LB
INDEPENDENT AUDITOR	Crowe Clark Whitehill LLP 10 Palace Avenue Maidstone Kent ME15 6NF

DONNA KARAN MANAGEMENT COMPANY UK LTD

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DONNA KARAN MANAGEMENT COMPANY UK LTD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JANUARY 2017**

The directors present their report and the financial statements for the year ended 31 January 2017.

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 to 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 (resigned 1 December 2016)
C Brown (resigned 1 December 2016)
J Goldfarb (appointed 1 December 2016)
M Goldfarb (appointed 1 December 2016)
W Miller (appointed 1 December 2016)
N Nackman (appointed 1 December 2016)

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.

DONNA KARAN MANAGEMENT COMPANY UK LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2017**

CHANGE OF ACCOUNTING PERIOD

The current accounting period was extended by 1 month to a 13 month accounting period to bring the company in line with the financial year end of its parent company.

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.

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 25/10/17 and signed on its behalf.


N Nackman
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 January 2017, set out on pages 5 to 18. The relevant financial reporting framework that has been applied in their preparation is applicable law 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 January 2017 and of its profit 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.

DONNA KARAN MANAGEMENT COMPANY UK LTD

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

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 year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

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.

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 and take advantage of the small companies' exemption from the requirement to prepare a strategic 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: 27/10/17

DONNA KARAN MANAGEMENT COMPANY UK LTD

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JANUARY 2017

	Note	13 month period to Jan 2017 £	Year ended Dec 2015 £
Turnover		767,217	702,209
GROSS PROFIT		767,217	702,209
Administrative expenses		(691,492)	(662,463)
OPERATING PROFIT		75,725	39,746
Tax on profit	6	(14,617)	(8,142)
PROFIT FOR THE YEAR		61,108	31,604

There was no other comprehensive income for 2017 (2015:£NIL).

The notes on pages 8 to 18 form part of these financial statements.

DONNA KARAN MANAGEMENT COMPANY UK LTD
REGISTERED NUMBER: 03693527

BALANCE SHEET
AS AT 31 JANUARY 2017

	Note	31 January 2017 £	31 December 2015 £
CURRENT ASSETS			
Debtors: amounts falling due within one year	8	413,383	876,165
Cash at bank and in hand	9	599,685	-
		<u>1,013,068</u>	<u>876,165</u>
Creditors: amounts falling due within one year	10	(108,349)	(32,554)
NET CURRENT ASSETS		904,719	843,611
NET ASSETS		<u>904,719</u>	<u>843,611</u>
CAPITAL AND RESERVES			
Called up share capital	14	2	2
Profit and loss account		904,717	843,609
		<u>904,719</u>	<u>843,611</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to entities 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



25/10/17

N Nackman
Director

The notes on pages 8 to 18 form part of these financial statements.

DONNA KARAN MANAGEMENT COMPANY UK LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	2	843,609	843,611
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the year	-	61,108	61,108
AT 31 JANUARY 2017	<u>2</u>	<u>904,717</u>	<u>904,719</u>

**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
Profit for the year	-	31,604	31,604
AT 31 DECEMBER 2015	<u>2</u>	<u>843,609</u>	<u>843,611</u>

The notes on pages 8 to 18 form part of these financial statements.

DONNA KARAN MANAGEMENT COMPANY UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2017**

1. GENERAL INFORMATION

The principal activity of the company during the year was supporting the sales operations for Donna Karan UK wholesale customers.

The company is a private limited company, which is incorporated and registered in England and Wales (03693527). The address of its registered office is:

Suite 1
3rd Floor 11-12 St. James's Square
London
SW1Y 4LB

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.

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 and 18A 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

DONNA KARAN MANAGEMENT COMPANY UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2017**

2. ACCOUNTING POLICIES (CONTINUED)

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.

2.4 Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

2.5 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:

Fixtures & fittings	- 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.

2.6 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.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

DONNA KARAN MANAGEMENT COMPANY UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2017**

2. ACCOUNTING POLICIES (CONTINUED)

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company classifies all of its financial assets as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the balance sheet.

DONNA KARAN MANAGEMENT COMPANY UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2017**

2. ACCOUNTING POLICIES (CONTINUED)

2.10 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income'.

DONNA KARAN MANAGEMENT COMPANY UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2017**

2. ACCOUNTING POLICIES (CONTINUED)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The directors consider that there are no significant sources of estimation in the financial statements.

4. AUDITORS' REMUNERATION

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

	2017 £	2015 £
Fees for tax compliance services	2,025	2,000
Other fees payable	1,010	1,000
	<u>3,035</u>	<u>3,000</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

DONNA KARAN MANAGEMENT COMPANY UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2017**

5. EMPLOYEES

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

2017	2015
No.	No.
<u>4</u>	<u>7</u>

6. TAXATION

	2017	2015
	£	£
CORPORATION TAX		
Current tax on profits for the year	13,758	8,907
	<u>13,758</u>	<u>8,907</u>
TOTAL CURRENT TAX	<u>13,758</u>	<u>8,907</u>
DEFERRED TAX		
Origination and reversal of timing differences	859	(807)
Changes to tax rates	-	42
TOTAL DEFERRED TAX	<u>859</u>	<u>(765)</u>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>14,617</u>	<u>8,142</u>

DONNA KARAN MANAGEMENT COMPANY UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2017**

6. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2015 - *higher than*) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2017 £	2015 £
Profit on ordinary activities before tax	<u>75,725</u>	<u>39,746</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	15,145	8,047
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	685	-
Differences due to deferred tax rate being lower than standard CT rate	(45)	95
Group relief	(1,168)	-
TOTAL TAX CHARGE FOR THE YEAR	<u><u>14,617</u></u>	<u><u>8,142</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 JANUARY 2017**

7. TANGIBLE FIXED ASSETS

	Fixtures & fittings £
COST OR VALUATION	
At 1 January 2016	4,863
At 31 January 2017	<u>4,863</u>
DEPRECIATION	
At 1 January 2016	4,863
At 31 January 2017	<u>4,863</u>
NET BOOK VALUE	
At 31 January 2017	<u>-</u>
At 31 December 2015	<u>-</u>

8. DEBTORS

	31 January 2017 £	31 December 2015 £
Trade debtors	2,275	833
Amounts owed by group undertakings	328,329	851,035
Other debtors	82,036	22,695
Deferred taxation	743	1,602
	<u>413,383</u>	<u>876,165</u>

DONNA KARAN MANAGEMENT COMPANY UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2017**

9. CASH AND CASH EQUIVALENTS

	31 January 2017	<i>31 December 2015</i>
	£	£
Cash at bank and in hand	599,685	-
	<u>599,685</u>	<u>-</u>

10. CREDITORS: Amounts falling due within one year

	31 January 2017	<i>31 December 2015</i>
	£	£
Amounts owed to group undertakings	74,182	-
Corporation tax	4,940	27,554
Other creditors	29,227	5,000
	<u>108,349</u>	<u>32,554</u>

11. FINANCIAL INSTRUMENTS

	31 January 2017	<i>31 December 2015</i>
	£	£
FINANCIAL ASSETS		
Financial assets that are debt instruments measured at amortised cost	1,032,410	874,563
	<u>1,032,410</u>	<u>874,563</u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	(74,184)	(5,000)
	<u>(74,184)</u>	<u>(5,000)</u>

Financial assets measured at amortised cost comprise cash at bank, trade debtors, amounts owed by group undertakings and other debtors.

Financial assets measured at amortised cost comprise amounts owed to group undertakings and other creditors.

DONNA KARAN MANAGEMENT COMPANY UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2017**

12. DEFERRED TAXATION

	2017 £
At beginning of year	1,602
Charged to the profit or loss	(859)
AT END OF YEAR	<u><u>743</u></u>

The deferred tax asset is made up as follows:

	31 January 2017 £
Accelerated capital allowances	527
Short term timing differences	216
	<u><u>743</u></u>

13. 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.

14. SHARE CAPITAL

	31 January 2017 £	31 December 2015 £
Shares classified as equity		
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

15. COMMITMENTS UNDER OPERATING LEASES

The Company had no commitments under the non-cancellable operating leases as at the balance sheet date.

DONNA KARAN MANAGEMENT COMPANY UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2017**

16. 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 G-III Apparel Group Limited. G-III Apparel Group Limited 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 512 7th Avenue, New York, NY 10018.