

**DONNA KARAN MANAGEMENT COMPANY UK LTD**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**for the year ended 31 December 2013**

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**DONNA KARAN MANAGEMENT COMPANY UK LTD**

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**COMPANY INFORMATION**

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**DIRECTORS**

P Kalberer  
M Weber

**COMPANY SECRETARY**

L E Usdan  
Jordan Cosec Limited

**REGISTERED NUMBER**

03693527

**REGISTERED OFFICE**

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 2013**

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The directors present their report and the financial statements for the year ended 31 December 2013.

#### **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.

#### **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.

#### **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.

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**DONNA KARAN MANAGEMENT COMPANY UK LTD**

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**DIRECTORS' REPORT**  
**for the year ended 31 December 2013**

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**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 23 September 2014 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 2013, 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 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.*

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 2013 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 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

23 September 2014

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**DONNA KARAN MANAGEMENT COMPANY UK LTD**

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**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 December 2013

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	Note	2013 £	2012 £
<b>TURNOVER</b>	1	<b>634,503</b>	<b>612,682</b>
Administrative expenses		<b>(598,574)</b>	<b>(578,705)</b>
<b>OPERATING PROFIT</b>	2	<b>35,929</b>	<b>33,977</b>
Interest payable and similar charges		<b>(14)</b>	<b>(1,089)</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>35,915</b>	<b>32,888</b>
Tax on profit on ordinary activities	3	<b>3,044</b>	<b>(10,292)</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	9	<b>38,959</b>	<b>22,596</b>

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



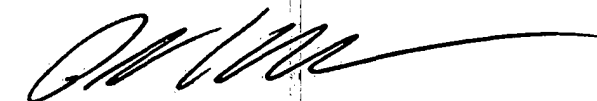
**DONNA KARAN MANAGEMENT COMPANY UK LTD**  
Registered number: 03693527

**BALANCE SHEET**  
as at 31 December 2013

	Note	£	2013 £	£	2012 £
<b>CURRENT ASSETS</b>					
Debtors	5	808,741		789,980	
<b>CREDITORS: amounts falling due within one year</b>	6	<u>(4,127)</u>		<u>(24,325)</u>	
<b>NET CURRENT ASSETS</b>			<u>804,614</u>		<u>765,655</u>
<b>NET ASSETS</b>			<u>804,614</u>		<u>765,655</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	8		2		2
Profit and loss account	9		<u>804,612</u>		<u>765,653</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>804,614</u>		<u>765,655</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 23 September 2014.



**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 2013**

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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 (2012 - £NIL).

**DONNA KARAN MANAGEMENT COMPANY UK LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2013**

**3. TAXATION**

	2013 £	2012 £
<b>ANALYSIS OF TAX (CREDIT)/CHARGE IN THE YEAR</b>		
<b>CURRENT TAX</b>		
UK corporation tax charge on profit for the year	8,088	8,039
Adjustments in respect of prior periods	(11,543)	1,775
<b>TOTAL CURRENT TAX</b>	<b>(3,455)</b>	<b>9,814</b>
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	224	478
Effect of increased tax rate on opening liability	187	-
<b>TOTAL DEFERRED TAX (see note 7)</b>	<b>411</b>	<b>478</b>
<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>(3,044)</b>	<b>10,292</b>

**4. TANGIBLE FIXED ASSETS**

	<b>Fixtures &amp; fittings £</b>
<b>COST</b>	
At 1 January 2013 and 31 December 2013	4,863
<b>DEPRECIATION</b>	
At 1 January 2013 and 31 December 2013	4,863
<b>NET BOOK VALUE</b>	
At 31 December 2013	-
At 31 December 2012	-

**5. DEBTORS**

	2013 £	2012 £
Amounts owed by group undertakings	782,725	769,428
Other debtors	24,995	19,120
Deferred tax asset (see note 7)	1,021	1,432
	<b>808,741</b>	<b>789,980</b>

**DONNA KARAN MANAGEMENT COMPANY UK LTD**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2013

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

	2013	2012
	£	£
Trade creditors	(199)	9,411
Other creditors	4,326	14,914
	4,127	24,325

**7. DEFERRED TAX ASSET**

	2013	2012
	£	£
At beginning of year	1,432	1,910
Charged for year (P&L)	(411)	(478)
At end of year	1,021	1,432

The deferred tax asset is made up as follows:

	2013	2012
	£	£
Accelerated capital allowances	1,432	(1,432)
Deferred tax charged in the Profit and loss account for the period	(411)	-
	1,021	(1,432)

**8. SHARE CAPITAL**

	2013	2012
	£	£
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
2 Ordinary shares of £1 each	2	2

**9. RESERVES**

	<b>Profit and loss account</b>
	£
At 1 January 2013	765,653
Profit for the financial year	38,959
At 31 December 2013	804,612

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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 2013**

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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.