

Registered number: 03693527

**DONNA KARAN MANAGEMENT COMPANY UK LTD**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JANUARY 2018**



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**DONNA KARAN MANAGEMENT COMPANY UK LTD**

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**COMPANY INFORMATION**

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**DIRECTORS**

J Goldfarb  
M Goldfarb  
W Miller  
N Nackman  
R Q Roland (appointed 30 November 2018)

**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 U.K. LLP  
Riverside House  
40 - 46 High Street  
Maidstone  
Kent  
ME14 - 1JH

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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 JANUARY 2018**

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The directors present their report and the financial statements for the year ended 31 January 2018.

**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:

J Goldfarb  
M Goldfarb  
W Miller  
N Nackman

**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.

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**DONNA KARAN MANAGEMENT COMPANY UK LTD**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JANUARY 2018**

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**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 U.K. 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 18 FEBRUARY 2019 and signed on its behalf.



R Q Roland  
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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**OPINION**

We have audited the financial statements of Donna Karan Management Company UK Ltd (the 'Company') for the year ended 31 January 2018, which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes, 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 101 'Reduced Disclosure Framework'.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2018 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.

**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 United Kingdom, including the Financial Reporting Council'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.

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

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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 (CONTINUED)**

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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 MATTERS 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 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 the 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 in relation to which 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

**RESPONSIBILITIES OF DIRECTORS**

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, 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.

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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 (CONTINUED)**

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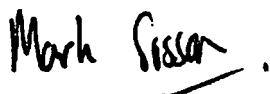
**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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](http://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 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.



Mark Sisson (senior statutory auditor)

for and on behalf of  
**Crowe U.K. LLP**

Statutory Auditor

Riverside House  
40 - 46 High Street  
Maidstone  
Kent

ME14 - 1JH

Date: 05/03/2019



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**DONNA KARAN MANAGEMENT COMPANY UK LTD**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JANUARY 2018**

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	Note	2018 £	2017 £
Turnover		465,531	767,217
<b>GROSS PROFIT</b>		<b>465,531</b>	<b>767,217</b>
Administrative expenses		(446,794)	(691,492)
<b>OPERATING PROFIT</b>		<b>18,737</b>	<b>75,725</b>
Tax on profit	5	1,339	(14,617)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>20,076</b>	<b>61,108</b>

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 9 to 19 form part of these financial statements.

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**DONNA KARAN MANAGEMENT COMPANY UK LTD**  
**REGISTERED NUMBER: 03693527**

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**BALANCE SHEET**  
**AS AT 31 JANUARY 2018**

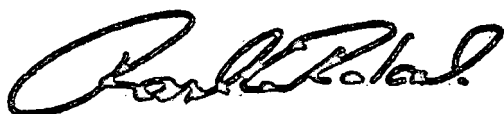
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	Note	2018 £	2017 £
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	7	183,863	413,382
Cash at bank and in hand	8	770,167	599,685
		<u>954,030</u>	<u>1,013,067</u>
Creditors: amounts falling due within one year	9	(29,235)	(108,348)
<b>NET CURRENT ASSETS</b>		<b>924,795</b>	<b>904,719</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>924,795</b>	<b>904,719</b>
<b>NET ASSETS</b>		<b>924,795</b>	<b>904,719</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	2	2
Profit and loss account		924,793	904,717
		<u>924,795</u>	<u>904,719</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

*18 February 2019*



**R Q Roland**  
Director

The notes on pages 9 to 19 form part of these financial statements.

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**DONNA KARAN MANAGEMENT COMPANY UK LTD**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2018**

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	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 February 2017	2	904,717	904,719
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	20,076	20,076
<b>AT 31 JANUARY 2018</b>	<b>2</b>	<b>924,793</b>	<b>924,795</b>

The notes on pages 9 to 19 form part of these financial statements.

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

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	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	2	843,609	843,611
Profit for the period	-	61,108	61,108
<b>At 31 January 2017</b>	<b>2</b>	<b>904,717</b>	<b>904,719</b>

The notes on pages 9 to 19 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 JANUARY 2018**

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**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).

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**DONNA KARAN MANAGEMENT COMPANY UK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2018**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**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 paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held For Sale and Discontinued Operations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- 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;
  - paragraph 118(e) of IAS 38 Intangible Assets;
  - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
  - paragraph 50 of IAS 41 Agriculture
- 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

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**DONNA KARAN MANAGEMENT COMPANY UK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2018**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.3 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'.

**2.4 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 the point the service is delivered to the group companies.

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**DONNA KARAN MANAGEMENT COMPANY UK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2018**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.5 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.

**2.6 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.

**2.7 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

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.

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**DONNA KARAN MANAGEMENT COMPANY UK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2018**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.8 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.

**2.9 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.

**2.10 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.

**2.11 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.



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**DONNA KARAN MANAGEMENT COMPANY UK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2018**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.12 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.

**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.

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**DONNA KARAN MANAGEMENT COMPANY UK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2018**

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**4. EMPLOYEES**

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

<b>2018 No.</b>	<b>2017 No.</b>
<u>2</u>	<u>2</u>

**5. TAXATION**

	<b>2018 £</b>	<b>2017 £</b>
<b>CORPORATION TAX</b>		
Current tax on profits for the year	3,500	13,758
Adjustments in respect of previous periods	(5,150)	-
	<u>(1,650)</u>	<u>13,758</u>
<b>TOTAL CURRENT TAX</b>	<u>(1,650)</u>	<u>13,758</u>
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	95	859
Adjustments in respect of prior periods	216	-
<b>TOTAL DEFERRED TAX</b>	<u>311</u>	<u>859</u>
<b>TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES</b>	<u>(1,339)</u>	<u>14,617</u>

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**DONNA KARAN MANAGEMENT COMPANY UK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2018**

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**5. TAXATION (CONTINUED)**

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR/PERIOD**

The tax assessed for the year/period is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19.16% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>18,737</u>	<u>75,725</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.16% (2017 - 20%)	3,590	15,145
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	5	685
Adjustments to tax charge in respect of prior periods	(4,934)	-
Differences due to deferred tax rate being lower than standard CT rate	-	(45)
Group relief	-	(1,168)
<b>TOTAL TAX CHARGE FOR THE YEAR/PERIOD</b>	<u>(1,339)</u>	<u>14,617</u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges.

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**DONNA KARAN MANAGEMENT COMPANY UK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2018**

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**6. TANGIBLE FIXED ASSETS**

	<b>Fixtures &amp; fittings £</b>
<b>COST OR VALUATION</b>	
At 1 February 2017	4,863
At 31 January 2018	<u>4,863</u>
<b>DEPRECIATION</b>	
At 1 February 2017	4,863
At 31 January 2018	<u>4,863</u>
<b>NET BOOK VALUE</b>	
At 31 January 2018	<u>-</u>
At 31 December 2015	<u>-</u>

**7. DEBTORS**

	<b>2018 £</b>	<b>2017 £</b>
Trade debtors	-	2,275
Amounts owed by group undertakings	160,288	328,329
Other debtors	23,143	82,033
Deferred taxation	432	743
	<u>183,863</u>	<u>413,380</u>

**8. CASH AND CASH EQUIVALENTS**

	<b>2018 £</b>	<b>2017 £</b>
Cash at bank and in hand	<u>770,167</u>	<u>599,685</u>

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**DONNA KARAN MANAGEMENT COMPANY UK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**9. CREDITORS: Amounts falling due within one year**

	2018 £	2017 £
Amounts owed to group undertakings	25,735	74,181
Corporation tax	3,500	4,940
Other creditors	-	29,227
	<u>29,235</u>	<u>108,348</u>

**10. DEFERRED TAXATION**

	2018 £	2017 £
At beginning of year	743	1,602
Charged to the profit or loss	(311)	(859)
<b>AT END OF YEAR</b>	<u>432</u>	<u>743</u>

The deferred tax asset is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	432	527
Short term timing differences	-	216
	<u>432</u>	<u>743</u>

**11. 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.

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**DONNA KARAN MANAGEMENT COMPANY UK LTD**

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**12. SHARE CAPITAL**

	2018	2017
	£	£
<b>Allotted, called up and fully paid</b>		
2 (2017 - 2) Ordinary shares of £1.00 each	<u>2</u>	<u>2</u>

**13. COMMITMENTS UNDER OPERATING LEASES**

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

**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 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.

There is not considered to be an ultimate controlling party.