

REGISTERED NUMBER: 01477762 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017
FOR
DESIGN GO LIMITED**

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FOR THE YEAR ENDED 31 MARCH 2017**

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DESIGN GO LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2017

DIRECTORS:

J Rogers
G Rogers
D Lomas

SECRETARY:

G Rogers

REGISTERED OFFICE:

Unit 1
Mill Hill Industrial Estate
Flower Lane
London
NW7 2HU

REGISTERED NUMBER:

01477762 (England and Wales)

AUDITORS:

LBCA Ltd
Statutory Auditor
1 Waterside
Station Road
Harpenden
Hertfordshire
AL5 4US

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2017**

The directors present their strategic report for the year ended 31 March 2017.

REVIEW OF BUSINESS

The principal activities of the company are the design, manufacture and distribution of travel accessories and related products. These products are sold globally with particular emphasis on the duty free and travel retail sectors. The majority of products sold are protected by intellectual property rights owned by the group.

Review of business

The company aims to present a balanced and comprehensive review of the development and performance of its business during the year and its position at the year end. The company considers its key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, gross profit and operating profit.

	2017	2016
Turnover	28,597,226	28,466,760
Gross Profit	8,276,807	7,740,550
Operating Profit	1,548,219	836,356

The directors are satisfied with the 2017 results and continue to focus on maintaining and improving profitability for 2018 and beyond.

The company makes a significant investment in new product design and development in order to ensure the continued growth and success of the Go Travel brand. The supply chain is constantly reviewed with particular emphasis on fulfilment, quality and price. Further improvements will be made to the supply chain during 2017 so as to ensure the company remains competitive.

The global market for travel goods and accessories remains strong. Go Travel is an established and highly respected brand with a loyal customer base. The company plans to continue its global expansion through organic growth and strategic alliances with other leading brands in the sector.

Employees

Health and safety

The company has a comprehensive Health and Safety policy, including internal policy manuals and guidance for all employees.

Training and development

The company runs in-house induction and training programmes for new employees.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2017

PRINCIPAL RISKS AND UNCERTAINTIES

Principal risks and uncertainties

The principal risks facing the company are broadly categorised as competitive and financial risks.

Competitive risks

The company operates in competitive markets in the UK and worldwide. The company aims to mitigate these risks through a culture of constant innovation and improvement. Particular importance is given to the design, manufacture and launch of innovative new products. The company also exhibits its products annually at a number of international trade shows which cater principally for the duty free and travel retail sectors. These shows include the International Travel Goods Show in the USA, the TWFA Shows in France and Singapore and the Messe Offenbach Fair in Germany.

Financial risks

Credit risk

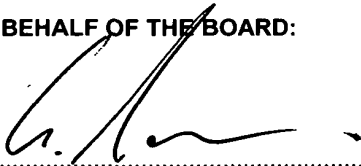
Credit risk is the risk of financial loss to the company if a customer fails to meet its contractual obligations and arises principally from its trade debtors.

There is no material concentration of credit risk with any single customer. The company has a credit policy under which new customers are assessed for creditworthiness before credit terms are offered. Larger customers are monitored on a daily basis and accounts are placed on supply hold when appropriate. Sales are made on a proforma basis in circumstances where there is any doubt about the creditworthiness of a customer.

Foreign exchange risk

The company is exposed to currency risk on purchases and trade debtors that are denominated in a currency other than sterling. The majority of the purchases made by the company are denominated in US Dollars. The company is therefore subject to exchange risk from the movement in the GBP/USD exchange rate. A significant proportion of the sales of the company are denominated in US Dollars and the company therefore benefits from a natural hedge against movements in the GBP/USD exchange rate. Where appropriate the company also mitigates foreign exchange risk through the use of financial instruments such as forward exchange contracts.

ON BEHALF OF THE BOARD:



G Rogers - Director

Date:

29th Jan 2018

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2017**

The directors present their report with the financial statements of the company for the year ended 31 March 2017.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the sale of travel goods.

DIVIDENDS

No interim dividend was paid during the year. The directors recommend a final dividend of £23.36 per share.

The total distribution of dividends for the year ended 31 March 2017 will be £233,639.

FUTURE DEVELOPMENTS

The directors are satisfied with the 2017 results and continue to focus on maintaining and improving profitability for 2018 and beyond.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2016 to the date of this report.

J Rogers
G Rogers
D Lomas

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 judgements and accounting estimates that are reasonable and prudent;
- 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.

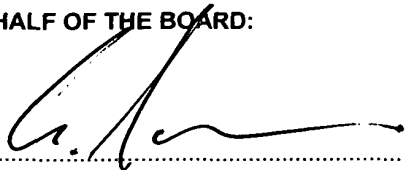
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, LBCA Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



G Rogers - Director

Date: 29th Jan 2018

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DESIGN GO LIMITED

We have audited the financial statements of Design Go Limited for the year ended 31 March 2017 on pages six to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, 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 members those matters we are required to state to them in a Report of the Auditors 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 Strategic Report and the Report of the Directors 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 March 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.

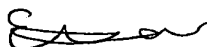
Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Strategic Report or the Report of the Directors.

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.



Elizabeth Hart (Senior Statutory Auditor)
for and on behalf of LBCA Ltd
Statutory Auditor
1 Waterside
Station Road
Harpenden
Hertfordshire
AL5 4US

Date: 30/11/2018

DESIGN GO LIMITED (REGISTERED NUMBER: 01477762)

**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017**

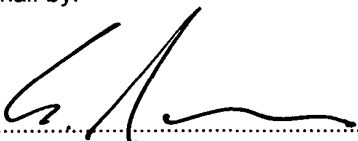
	Notes	2017 £	2016 £
TURNOVER	4	28,597,226	28,466,760
Cost of sales		20,320,419	20,726,210
GROSS PROFIT		8,276,807	7,740,550
Distribution costs		795,152	893,451
Administrative expenses		5,933,436	6,010,743
		6,728,588	6,904,194
OPERATING PROFIT	6	1,548,219	836,356
Interest receivable and similar income		12,660	3,127
PROFIT BEFORE TAXATION		1,560,879	839,483
Tax on profit	7	307,315	172,363
PROFIT FOR THE FINANCIAL YEAR		1,253,564	667,120

The notes form part of these financial statements

BALANCE SHEET
31 MARCH 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Intangible assets	9	1,049,899	957,975
Tangible assets	10	1,139,331	931,451
		<u>2,189,230</u>	<u>1,889,426</u>
CURRENT ASSETS			
Stocks	11	5,114,694	6,990,555
Debtors	12	9,536,958	12,422,529
Cash at bank and in hand		6,171,090	3,120,946
		<u>20,822,742</u>	<u>22,534,030</u>
CREDITORS			
Amounts falling due within one year	13	14,390,870	16,839,126
NET CURRENT ASSETS		<u>6,431,872</u>	<u>5,694,904</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,621,102</u>	<u>7,584,330</u>
PROVISIONS FOR LIABILITIES	17	26,906	10,059
NET ASSETS		<u>8,594,196</u>	<u>7,574,271</u>
CAPITAL AND RESERVES			
Called up share capital	18	10,000	10,000
Retained earnings	19	8,584,196	7,564,271
SHAREHOLDERS' FUNDS		<u>8,594,196</u>	<u>7,574,271</u>

The financial statements were approved by the Board of Directors on 29 Jan 2018 and were signed on its behalf by:


.....
G Rogers - Director

DESIGN GO LIMITED (REGISTERED NUMBER: 01477762)

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

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2015	10,000	7,189,481	7,199,481
Changes in equity			
Dividends	-	(292,330)	(292,330)
Total comprehensive income	-	667,120	667,120
Balance at 31 March 2016	<u>10,000</u>	<u>7,564,271</u>	<u>7,574,271</u>
Changes in equity			
Dividends	-	(233,639)	(233,639)
Total comprehensive income	-	1,253,564	1,253,564
Balance at 31 March 2017	<u><u>10,000</u></u>	<u><u>8,584,196</u></u>	<u><u>8,594,196</u></u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. **STATUTORY INFORMATION**

Design Go Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

The financial statements are presented in sterling (£) and rounded to the nearest £.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

The company is a qualifying subsidiary. The parent company is DG International Holdings Limited, consolidated accounts can be obtained from the company's registered office.

Significant judgements and estimates

The company is required to make various judgements, assumptions and estimates on the reported income statement and balance sheet data. For example, depreciation timing, and impairment. The carrying value of tangible assets are calculated on the basis of estimates of depreciation periods derived from the expected useful life of the asset concerned, and residual values. The expected useful life of the assets and their estimated residual value may change, which may give rise to the need to recognise an impairment on assets.

Where there are indicators of impairment of individual assets, the company performs impairment tests. If the recoverable amount of the asset is estimated to be less than its carrying amount it reduces its recoverable amount. The difference between the carrying amount and the recoverable amount is recognised as an impairment loss in profit or loss.

Income

Income is recognised when goods have been delivered to customers such that risks and rewards of ownership have transferred to them.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairments losses.

Intangible fixed assets shown under the heading Patents & Licences are being amortised on a straight line basis over a period of 10 years.

Intangible fixed assets shown under the heading Computer Software are being amortised on a straight line basis over a period of 3 years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- 33% on cost
Plant and machinery	- at variable rates on reducing balance
Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

3. ACCOUNTING POLICIES - continued

Stocks

Stocks are stated at the lower of cost, using the first in first out method, and selling price less costs to complete and sell, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Transactions in foreign currencies are recognised at the average rate. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rate prevailing at that date. Exchange differences are recognised in profit or loss in the period in which they arise.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Financial instruments

Basic financial instruments are recognised at amortised cost, with changes recognised in profit or loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when, in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party and in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Employee benefits

Employee benefits are recognised as an expense in the period in which they are incurred.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

4. **TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2017 £	2016 £
UK	10,914,885	10,736,350
Europe	10,386,380	9,781,460
USA	2,800,552	2,769,681
Asia	1,956,257	1,989,595
Australia	1,994,687	2,417,266
Africa	544,465	772,408
	<u>28,597,226</u>	<u>28,466,760</u>

The company's turnover represents the value, excluding value added tax, of goods supplied to customers during the year.

5. **EMPLOYEES AND DIRECTORS**

	2017 £	2016 £
Wages and salaries	3,202,247	3,154,313
Social security costs	329,512	315,959
Other pension costs	103,382	99,619
	<u>3,635,141</u>	<u>3,569,891</u>

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

	2017	2016
Office and management	29	32
Sales and production	64	62
	<u>93</u>	<u>94</u>

	2017 £	2016 £
Directors' remuneration	266,838	238,841
Directors' pension contributions to money purchase schemes	15,387	15,003
	<u></u>	<u></u>

The number of directors to whom retirement benefits were accruing was as follows:

	2017	2016
Money purchase schemes	<u>2</u>	<u>2</u>

Information regarding the highest paid director is as follows:

	2017 £	2016 £
Emoluments etc	137,323	121,100
Pension contributions to money purchase schemes	4,363	11,011
	<u></u>	<u></u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

6. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2017	2016
	£	£
Depreciation - owned assets	307,846	267,071
Loss on disposal of fixed assets	589	2,152
Patents and licences amortisation	153,633	134,369
Computer software amortisation	60,890	40,465
Auditors' remuneration	15,580	18,800
Taxation compliance services	1,650	660
Other non-audit services	10,751	6,471
Foreign exchange differences	(659,012)	(230,174)
Rental lease	-	25,000
	<u> </u>	<u> </u>

The company rents two properties from D G Capital Limited, a member of the same group, for an annual rent of £295,000 (2016: £295,000).

Included within foreign exchange differences are amounts relating to changes in fair value of financial derivatives £79,728 (2016: (£185,995)).

7. TAXATION**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2017	2016
	£	£
Current tax:		
UK corporation tax	<u>290,468</u>	<u>176,184</u>
Deferred tax:		
Deferred tax timing difference	21,595	(2,703)
Deferred tax rate difference	<u>(4,748)</u>	<u>(1,118)</u>
Total deferred tax	<u>16,847</u>	<u>(3,821)</u>
Tax on profit	<u><u>307,315</u></u>	<u><u>172,363</u></u>

UK corporation tax was charged at 20% in 2016.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2017	2016
	£	£
Profit before tax	<u>1,560,879</u>	<u>839,483</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	312,176	167,897
Effects of:		
Expenses not deductible for tax purposes	17,680	15,442
Capital allowances in excess of depreciation	(15,788)	(4,388)
Utilisation of tax losses	(23,600)	(2,767)
Deferred tax timing difference	21,595	(2,703)
Deferred tax rate difference	<u>(4,748)</u>	<u>(1,118)</u>
Total tax charge	<u><u>307,315</u></u>	<u><u>172,363</u></u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

7. TAXATION - continued

Following Budget 2015, the government announced legislation setting the Corporation Tax main rate at 19% for the years starting the 1 April 2017, 2018 and 2019 and at 18% for the year starting 1 April 2020. Following Budget 2016, the government announced a further reduction to the Corporation Tax main rate for the year starting 1 April 2020, setting the rate at 17%.

8. DIVIDENDS

	2017 £	2016 £
Ordinary shares of £1 each		
Final	<u>233,639</u>	<u>292,330</u>

9. INTANGIBLE FIXED ASSETS

	Patents and licences £	Computer software £	Totals £
COST			
At 1 April 2016	1,343,695	218,397	1,562,092
Additions	192,632	113,815	306,447
At 31 March 2017	<u>1,536,327</u>	<u>332,212</u>	<u>1,868,539</u>
AMORTISATION			
At 1 April 2016	424,743	179,374	604,117
Amortisation for year	153,633	60,890	214,523
At 31 March 2017	<u>578,376</u>	<u>240,264</u>	<u>818,640</u>
NET BOOK VALUE			
At 31 March 2017	<u>957,951</u>	<u>91,948</u>	<u>1,049,899</u>
At 31 March 2016	<u>918,952</u>	<u>39,023</u>	<u>957,975</u>

Amortisation of intangible fixed assets is included in administrative expenses.

10. TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2016	13,264	3,006,522	442,412
Additions	-	375,137	41,060
At 31 March 2017	<u>13,264</u>	<u>3,381,659</u>	<u>483,472</u>
DEPRECIATION			
At 1 April 2016	8,767	2,271,315	321,165
Charge for year	4,497	205,463	33,038
Eliminated on disposal	-	-	-
At 31 March 2017	<u>13,264</u>	<u>2,476,778</u>	<u>354,203</u>
NET BOOK VALUE			
At 31 March 2017	<u>-</u>	<u>904,881</u>	<u>129,269</u>
At 31 March 2016	<u>4,497</u>	<u>735,207</u>	<u>121,247</u>

DESIGN GO LIMITED (REGISTERED NUMBER: 01477762)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017**

10. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 April 2016	61,323	605,898	4,129,419
Additions	25,438	81,630	523,265
Disposals	(23,828)	-	(23,828)
At 31 March 2017	62,933	687,528	4,628,856
DEPRECIATION			
At 1 April 2016	29,927	566,794	3,197,968
Charge for year	12,324	52,524	307,846
Eliminated on disposal	(16,289)	-	(16,289)
At 31 March 2017	25,962	619,318	3,489,525
NET BOOK VALUE			
At 31 March 2017	36,971	68,210	1,139,331
At 31 March 2016	31,396	39,104	931,451

11. STOCKS

	2017 £	2016 £
Stocks	5,114,694	6,990,555

Stock recognised in cost of sales during the year as an expense was £17,675,252 (2016: £19,938,956).

12. DEBTORS

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	7,073,339	11,092,633
Other debtors	29,866	24,461
Related company - fellow sub	44,021	3,781
Related company	1,147	88
Related company - fellow sub	2,051,970	1,008,555
Prepayments and accrued income	315,401	253,053
	9,515,744	12,382,571
Amounts falling due after more than one year:		
Other debtors	21,214	39,958
Aggregate amounts	9,536,958	12,422,529

DESIGN GO LIMITED (REGISTERED NUMBER: 01477762)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017**

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade creditors	2,048,598	1,500,547
Corporation tax	136,926	95,859
Social security and other taxes	87,160	86,255
VAT	72,530	174,097
Other creditors	94,113	-
Related company- parent	10,293,031	10,412,047
Related company - fellow sub	298,392	1,186,015
Related company - fellow sub	1,095,665	2,903,985
Related company - fellow sub	6,405	278,651
Accrued expenses	258,050	201,670
	<u>14,390,870</u>	<u>16,839,126</u>

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017	2016
	£	£
Between one and five years	<u>-</u>	<u>85,417</u>

The company rents two properties from D G Capital Limited, a member of the same group, for an annual rent of £295,000 (2016: £295,000).

15. SECURED DEBTS

The company acts as a security party for the bank on behalf of D G Capital Ltd, a company held within the same group. The bank loan of £750,000 (2016: £937,500) is in the name of D G Capital Ltd with a term 10 years from 31 March 2011. The bank loan is interest only, at a rate of LIBOR with a 1% margin.

The bank loan is guaranteed by a legal charge dated 31 March 2011 over the building at Mill Hill Industrial Estate and the warehouse in Hemel Hempstead, which are included within the groups accounts headed by DG International Holdings Ltd.

With regard to this loan the bank hold an Unlimited Guarantee from Design Go Ltd.

The bank facilities are secured by a cross guarantee & debenture between Design Go Limited, D G International Holdings Limited, D G Capital Limited, Go International Ltd, TPC International Limited & Wedgewood Properties Limited.

The bank hold a deferment bond to H M Customs & Excise of £92,500.

16. FINANCIAL INSTRUMENTS

Foreign exchange risk

The group is exposed to currency risk on purchases and trade debtors that are denominated in a currency other than sterling. The majority of the purchases made by the group are denominated in US Dollars. The group is therefore subject to exchange risk from the movement in the GBP/USD exchange rate. A significant proportion of the sales of the group are denominated in US Dollars and the group therefore benefits from a natural hedge against movements in the GBP/USD exchange rate. Where appropriate the group also mitigates foreign exchange risk through the use of financial instruments such as forward exchange contracts.

Financial assets and liabilities measured at fair value:

Forward currency forward contracts have been fair valued using forward exchange rates with gains or losses being reported in profit or loss. Within other creditors year ended 31 March 2017 is a balance of £79,728 (2016: Nil) relating to forward currency contracts.

Financial assets measured at amortised cost £15,392,646 (2016: £15,290,423)

Financial liabilities measured at amortised cost £14,014,526 (2016: £16,482,912)

Financial liabilities measured at fair value cost £79,728 (2016: Nil)

DESIGN GO LIMITED (REGISTERED NUMBER: 01477762)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017**

17. PROVISIONS FOR LIABILITIES

	2017 £	2016 £
Deferred tax	<u>26,906</u>	<u>10,059</u>
		Deferred tax £
Balance at 1 April 2016		10,059
Differences between capital allowances and depreciation		16,847
Balance at 31 March 2017		<u>26,906</u>

The amount of the net reversal of deferred tax expected to occur next year is £13,891 relating to the reversal of existing timing differences on tangible fixed assets.

The balance brought forward, together with the movement for the year, relates to the differences between capital allowances and depreciation.

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2017 £	2016 £
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>

Each share has equal voting and distribution rights.

19. RESERVES

	Retained earnings £
At 1 April 2016	7,564,271
Profit for the year	1,253,564
Dividends	<u>(233,639)</u>
At 31 March 2017	<u>8,584,196</u>

Called up share capital - represents the nominal value of shares that have been issued.

Profit and loss account - includes all current and prior period retained profits and losses.

20. PENSION COMMITMENTS

Pension contributions are made under a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charge represents contributions payable by the company and amounted to £103,382 (2016: £99,619). Contributions totalling £14,385 were payable at the year end and are included within creditors.

21. ULTIMATE PARENT COMPANY

The ultimate parent company is DG International Holdings Limited a company incorporated in England & Wales, in which the results of the company are consolidated. The consolidated accounts can be obtained from the company's registered office.

22. OTHER FINANCIAL COMMITMENTS

The company entered into several forward exchange contracts, during the year totalling €7.5 million (2016: Nil) which have a deal date after the year end.

DESIGN GO LIMITED (REGISTERED NUMBER: 01477762)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017**

23. RELATED PARTY DISCLOSURES

Included within debtors is £434,980 (2016: £358,929) owed from a company which has a common director. During the year sales were made to this company totalling £417,965 (2016: £428,676).

Within creditors is an amount of £27,000 (2016: £27,000) owed to a fellow subsidiary, not wholly owned.

24. POST BALANCE SHEET EVENTS

Since the year end the company has an obligation to pay expenses of approximately £150,000 relating to a reorganisation.

Since the year end the company has entered into a 3 year lease with an annual commitment of £140,700.

25. ULTIMATE CONTROLLING PARTY

By virtue of a controlling interest in DG International Holdings Ltd, Mr J Rogers is the ultimate controlling party.