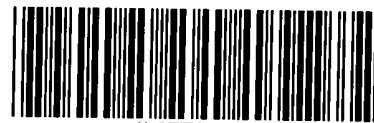


DSG HOLDINGS (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

TUESDAY



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LD5 26/09/2017 #14
COMPANIES HOUSE

Slaven Jeffcote LLP

Chartered Certified Accountants & Statutory Auditor
1 Lumley Street
Mayfair
London
W1K 6TT

DSG HOLDINGS (UK) LIMITED

COMPANY INFORMATION

Directors	Ms E K S To Mr M W Ho Ms C Ton Mr A C Wright
Secretary	Ms E K S To
Company number	02772976
Registered office	The Old Pump House 35 Kensington Court Place London W8 5BJ
Auditor	Slaven Jeffcote LLP 5th Floor, 1 Lumley Street Mayfair London W1K 6TT

DSG HOLDINGS (UK) LIMITED

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DSG HOLDINGS (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and financial statements for the year ended 31 December 2016.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Ms E K S To
Mr M W Ho
Ms C Ton
Mr A C Wright

Auditor

The auditor, Slaven Jeffcote LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 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 of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board


.....
Mr M W Ho

Director

Date: 21 SEPTEMBER 2017

DSG HOLDINGS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF DSG HOLDINGS (UK) LIMITED

We have audited the financial statements of DSG Holdings (UK) Limited for the year ended 31 December 2016 set out on pages 4 to 9. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's member, 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 member 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 member 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 set out 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 Auditing Practices Board's Ethical Standards for Auditors, including APB Ethical Standard - Provisions Available for Small Entities (Revised), in the circumstances set out in note 8 to the financial statements.

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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters 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 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.

DSG HOLDINGS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

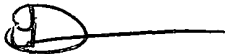
TO THE MEMBER OF DSG HOLDINGS (UK) LIMITED

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 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.



Joanne Louise Denman FCCA (Senior Statutory Auditor)
for and on behalf of Slaven Jeffcote LLP

21 September 2017

Chartered Certified Accountants
Statutory Auditor

5th Floor, 1 Lumley Street
Mayfair
London
W1K 6TT

DSG HOLDINGS (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 \$	2015 \$
Administrative expenses		(5,219)	(5,140)
Interest receivable and similar income		<u>3,230</u>	<u>1,993</u>
Loss before taxation		(1,989)	(3,147)
Taxation		<u>-</u>	<u>-</u>
Loss for the financial year		<u>(1,989)</u>	<u>(3,147)</u>

DSG HOLDINGS (UK) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	\$	2016	\$	\$	2015	\$
Fixed assets							
Investments	2			4			4
Current assets							
Debtors	3	35,359,003			35,363,929		
Cash at bank and in hand		4,193			2,858		
		<u>35,363,196</u>			<u>35,366,787</u>		
Creditors: amounts falling due within one year	4	(79,736)			(81,338)		
Net current assets			35,283,460			35,285,449	
Total assets less current liabilities			<u>35,283,464</u>			<u>35,285,453</u>	
Capital and reserves							
Called up share capital	5	495,000			495,000		
Profit and loss reserves		34,788,464			34,790,453		
Total equity			<u>35,283,464</u>			<u>35,285,453</u>	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 21 SEP 2017 and are signed on its behalf by:

Mr M W Ho
Director

Company Registration No. 02772976

DSG HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

DSG Holdings (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Old Pump House, 35 Kensington Court Place, London, W8 5BJ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are denominated in US Dollars, the currency of which majority of the company's transactions are denominated. Monetary amounts in these financials are rounded to the nearest US Dollar.

These financial statements for the year ended 31 December 2016 are the first financial statements of DSG Holdings (UK) Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.3 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.4 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

DSG HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.5 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.6 Consolidation

The company was, at the end of the year, a parent company to a wholly owned subsidiary. The company itself qualifies as a small company and also the group headed by it qualifies as a small group in accordance with Section 383 of the Companies Act 2006. Therefore it has taken exemption to prepare consolidated accounts in accordance with Section 398 of the Companies Act 2006.

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into dollars at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Fixed asset investments

	2016	2015
	\$	\$
Investments	4	4

DSG HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

3 Debtors

	2016	2015
	\$	\$
Amounts falling due within one year:		
Amounts due from group undertakings	28,832,435	28,837,829
Other debtors	6,526,568	6,526,100
	<u>35,359,003</u>	<u>35,363,929</u>

Included in amounts due from group undertakings is an amount of \$15,278,112 (2015- \$15,278,692) due from the ultimate parent company. Also included in this amount is \$1,570,195 (2015 - \$1,570,195) which is an amount due from a fellow subsidiary.

Other debtors includes an amount of \$6,526,567 (2015- \$6,526,100) which relates to funds held in an Escrow deposit account. The monies on this account provide the purchaser indemnity as per the AHP LLC sales and purchase agreement and are not distributable to the Company until 31st December 2020.

4 Creditors: amounts falling due within one year

	2016	2015
	\$	\$
Amounts due to group undertakings	75,036	77,438
Other creditors	4,700	3,900
	<u>79,736</u>	<u>81,338</u>

5 Called up share capital

	2016	2015
	\$	\$
Ordinary share capital Issued and fully paid 31,751,124 Ordinary shares of \$0.01559 each (equivalent to £0.01 each)	495,000	495,000
	<u>495,000</u>	<u>495,000</u>

6 Parent company

The ultimate parent company is DSG International Limited, a company registered in the British Virgin Islands.

7 Related party transactions

Amounts owed to/by related parties

The following amounts were outstanding at the reporting end date:

DSG HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

7 Related party transactions continued

	Amount owed to		Amounts owed by	
	2016	2015	2016	2015
	\$	\$	\$	\$
Disposable Soft Goods (UK) Limited	-	-	11,808,774	11,813,588
DSG International Limited	-	-	15,278,112	15,278,692
DSG Technology Holdings Ltd	-	-	1,570,195	1,570,195
DSG-TEK Limited	-	-	175,354	175,354
Elmbay Limited	75,036	77,438	-	-

8 Non-audit services provided by auditor

In common with many businesses of our size and nature we use our auditor to assist with the preparation of the financial statements.

In common with many other businesses of our size and nature we use our auditor's sister firm to prepare and submit returns to the tax authorities.