

REGISTERED NUMBER: 03765165 (England and Wales)

**Strategic Report, Directors' Report and
Financial Statements for the Year Ended 31 December 2017
for
Gerard Darel (UK) Limited**



Gerard Darel (UK) Limited

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Gerard Darel (UK) Limited
Company Information
for the Year Ended 31 December 2017

DIRECTORS:

D F Maruani
L J J Gerbi

REGISTERED OFFICE:

C/O Browne Jacobson LLP
6 Bevis Marks
London
United Kingdom
EC3A 7BA

REGISTERED NUMBER:

03765165 (England and Wales)

INDEPENDENT AUDITORS :

Constantin
Chartered Accountants and Statutory Auditor
25 Hosier Lane
London
EC1A 9LQ

Gerard Darel (UK) Limited
Strategic Report
for the Year Ended 31 December 2017

Introduction

This strategic report has been prepared solely to provide additional information to shareholders to assess the company's strategies and the potential for those strategies to succeed.

The Strategic report contains forward-looking statements. These statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

The directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

PRINCIPAL ACTIVITY

The principal activity of the company is that of clothes retailing.

BUSINESS REVIEW AND KEY PERFORMANCE INDICATORS

The Company's revenue has increased in 2017. The increase in total revenue of 11% is attributable to the increase in sales and the opening of a new store in Brompton road.

Gross margin has increased from 36% in 2016 to 49% in 2017, whilst operating costs in 2017 have reduced by 0.5% compared to those in 2016. However operating loss in 2017 has decreased compared to operating loss in 2016. The company has benefited from a forgiveness of debt of £827,515 from its parent company.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group Gerard Darel is constantly facing the problem of counterfeited goods. This issue is dealt with at the level of the parent company which prosecutes each time it feels the need.

The company is aware of the risks in handling cash and has implemented appropriate controls over cash to manage these risks.

The company has no significant exposure to exchange rates.

FUTURE DEVELOPMENTS

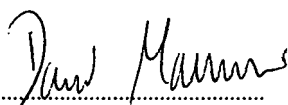
During the first semester of 2018 a concession store was closed. The group isn't planning on any opening this year but the other concessions show a significant 22 % increase of their sales if we compare 30/09/2017 and 30/09/2018.

As for the boutiques, they show a 4 % increase of their sales if we compare 30/09/2017 and 30/09/2018.

The 30/09/2018 closing accounts show an encouraging 13 % increase of sales compared to 30/09/2017.

Going forward, the management intends to consolidate our existing market in the UK and strengthen our customer loyalty by proposing beautiful collections.

ON BEHALF OF THE BOARD:



.....
D F Maruani - Director

Date: **28 SEP 2018**
.....

Gerard Darel (UK) Limited

Directors' Report for the Year Ended 31 December 2017

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

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2017 (2016: nil).

DIRECTORS

D F Maruani has held office during the whole of the period from 1 January 2017 to the date of this report.

Other changes in directors holding office are as follows:

X Michaud - resigned 29 September 2017

L J J Gerbi - appointed 29 September 2017

DISCLOSURE IN THE STRATEGIC REPORT

The following details are disclosed within the strategic report:

- The company's review of the business and key performance indicators;
- The company's principal risks and uncertainties;
- The company's principal activities;
- The company's future developments.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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.

Gerard Darel (UK) Limited

**Directors' Report
for the Year Ended 31 December 2017**

AUDITORS

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

ON BEHALF OF THE BOARD:



.....
D F Maruani - Director

Date: **28 SEP 2018**
.....

**Independent Auditors' Report to the Members of
Gerard Darel (UK) Limited**

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Gerard Darel (UK) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of accounting policies ; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 UK, including the Financial Reporting Council's (the 'FRC'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 are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

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.

Independent Auditors' Report to the Members of Gerard Darel (UK) Limited

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 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 respect of these matters.

Responsibilities of directors

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, 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.

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

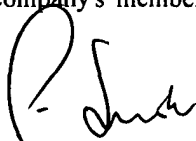
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Independent Auditors' Report to the Members of
Gerard Darel (UK) Limited**

We have nothing to report in respect of these matters.

Use of our report

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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Smith FCA (Senior Statutory Auditor)
for and on behalf of Constantin
Chartered Accountants and Statutory Auditor
25 Hosier Lane
London
EC1A 9LQ

Date: 28 September 2018.

Gerard Darel (UK) Limited

**Statement of Comprehensive Income
for the Year Ended 31 December 2017**

	Notes	31.12.17 £	31.12.16 £
TURNOVER	3	6,500,416	5,881,683
Cost of sales		(3,346,683)	(3,785,422)
GROSS PROFIT		3,153,733	2,096,261
Administrative expenses		(4,151,002)	(3,855,334)
		(997,269)	(1,759,073)
Other operating income	4	169,458	175,803
OPERATING LOSS	6	(827,811)	(1,583,270)
Interest receivable and similar income	8	445	3,495
Exceptional items	9	(827,366) 827,515	(1,579,775) 1,578,425
		149	(1,350)
Interest payable and similar expenses	10	(150)	(750)
LOSS BEFORE TAXATION		(1)	(2,100)
Tax on loss	11	-	-
LOSS FOR THE FINANCIAL YEAR		(1)	(2,100)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(1)	(2,100)

The notes on pages 11 to 18 form part of these financial statements

Gerard Darel (UK) Limited (Registered number: 03765165)

**Statement of Financial Position
31 December 2017**

	Notes	31.12.17 £	31.12.16 £
FIXED ASSETS			
Tangible assets	14	306,007	97,585
CURRENT ASSETS			
Stocks	15	1,362,214	1,504,448
Debtors	16	1,507,051	1,074,803
Cash at bank and in hand		148,572	536,785
		<u>3,017,837</u>	<u>3,116,036</u>
CREDITORS			
Amounts falling due within one year	17	(6,202,402)	(6,092,188)
NET CURRENT LIABILITIES		<u>(3,184,565)</u>	<u>(2,976,152)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(2,878,558)</u>	<u>(2,878,567)</u>
CAPITAL AND RESERVES			
Called up share capital	19	1	1
Retained earnings		<u>(2,878,559)</u>	<u>(2,878,568)</u>
SHAREHOLDERS' FUNDS		<u>(2,878,558)</u>	<u>(2,878,567)</u>

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



 D F Maruani - Director

The notes on pages 11 to 18 form part of these financial statements

Gerard Darel (UK) Limited

**Statement of Changes in Equity
for the Year Ended 31 December 2017**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2016	1	(2,876,468)	(2,876,467)
Changes in equity			
Total comprehensive loss	-	(2,100)	(2,100)
Balance at 31 December 2016	<u>1</u>	<u>(2,878,568)</u>	<u>(2,878,567)</u>
Changes in equity			
Total comprehensive loss	-	(1)	(1)
Balance at 31 December 2017	<u><u>1</u></u>	<u><u>(2,878,569)</u></u>	<u><u>(2,878,568)</u></u>

The notes on pages 11 to 18 form part of these financial statements

Gerard Darel (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

1. STATUTORY INFORMATION

Gerard Darel (UK) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number is 03765165 and the company's registered office address is 6 Bevis Marks, London, United Kingdom, EC3A 7BA.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

The financial statements are prepared in sterling, which is the functional currency of the entity.

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.

Significant judgements and estimates

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net discounts and Value Added Tax.

Revenue is recognised upon delivery of goods to customers.

Tangible fixed assets

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

Short leasehold property	- Straight line over the life of the lease
Fixtures, fittings and equipments	- Straight line over 3 - 8 years

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Gerard Darel (UK) Limited

Notes to the Financial Statements - continued for the Year Ended 31 December 2017

2. ACCOUNTING POLICIES - continued

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

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 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 trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs. At subsequent reporting periods, the basic financial assets receivable within one year are measured at the undiscounted amount of the cash or other consideration that the company expects to receive.

Basic financial assets that constitute financing transactions, in accordance with FRS 102 paragraph 11.13, are measured at the present value of the future receipts discounted at a market rate of interest.

Basic financial assets that meet the conditions in FRS102 paragraph 11.8 (b) are initially recognised at the transaction price and are subsequently measured at amortised cost using the effective interest method.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, and loans from fellow group companies that are payable within one year or less, other than those that constitute a financing transaction in accordance with FRS 102 paragraph 11.13, are initially recognised at the transaction price and, except for those financial liabilities that meet the conditions in FRS102 paragraph 11.8 (b), are subsequently measured at the undiscounted amount of the cash or other consideration that the company expects to pay.

Basic financial liabilities that constitute a financing transaction in accordance with FRS 102 paragraph 11.13 are measured at the present value of the future disbursements discounted at a market rate of interest.

Basic financial liabilities that meet the conditions in FRS102 paragraph 11.8(b) are initially recognised at the transaction price and are subsequently measured at amortised cost using the effective interest method.

Gerard Darel (UK) Limited

Notes to the Financial Statements - continued for the Year Ended 31 December 2017

2. ACCOUNTING POLICIES - continued

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Operating lease

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

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.

Going concern

The directors have prepared the financial statements on a going concern basis notwithstanding the company being in a net current liability position. Included within short term creditors are amounts payable to its parent undertakings and it is the opinion of the directors that these amounts would not be payable until the company can meet its third party financial obligations as they fall due. In addition, the parent company, DS Fashion group, has agreed to provide financial support as may be necessary in order to enable the company to meet its financial obligations as they fall due in the foreseeable future.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Gerard Darel (UK) Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

3. TURNOVER

The whole of the turnover is attributable to the principal activities of the company wholly undertaken in the United Kingdom.

4. OTHER OPERATING INCOME

	31.12.17	31.12.16
	£	£
Commission receivable	<u>169,458</u>	<u>175,803</u>

5. EMPLOYEES AND DIRECTORS

	31.12.17	31.12.16
	£	£
Wages and salaries	750,728	785,252
Social security costs	62,863	64,760
Other pension costs	4,380	3,904
	<u>817,971</u>	<u>853,916</u>

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

	31.12.17	31.12.16
Retail	<u>41</u>	<u>44</u>

	31.12.17	31.12.16
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

6. OPERATING LOSS

The operating loss is stated after charging:

	31.12.17	31.12.16
	£	£
Other operating leases	943,760	868,870
Depreciation - owned assets	31,640	33,068
Foreign exchange differences	2,133	702
Loss on disposal of tangible assets	<u>16,341</u>	<u>3,845</u>

Gerard Darel (UK) Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

7. AUDITORS' REMUNERATION

	31.12.17	31.12.16
	£	£
Auditors' remuneration - audit of the financial statements	4,560	4,190
Auditors' remuneration - other fees	2,670	2,045

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	31.12.17	31.12.16
	£	£
Interest receivable	445	3,495

9. EXCEPTIONAL ITEMS

	31.12.17	31.12.16
	£	£
Forgiveness of debt see note 12	(827,515)	(1,530,192)
Write-back of doubtful debt provision	-	(48,233)
	(827,515)	(1,578,425)

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.12.17	31.12.16
	£	£
Interest payable on loan	150	750

11. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 December 2017 nor for the year ended 31 December 2016.

Gerard Darel (UK) Limited

Notes to the Financial Statements - continued for the Year Ended 31 December 2017

11. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is the same as the standard rate of corporation tax in the UK.

	31.12.17 £	31.12.16 £
Loss before tax	(1)	(2,100)
Loss multiplied by the standard rate of corporation tax in the UK of 19.250% (2016 - 20%)	-	(420)
Effects of:		
Expenses not deductible for tax purposes	1,025	-
Income not taxable for tax purposes	(162,132)	306,038
Deferred tax not recognised	157,210	(305,618)
Fixed asset differences	3,897	-
Total tax charge	-	-

12. FORGIVENESS OF DEBT

	2017 £	2016 £
Forgiveness of debt	827,515	1,530,192

In 2017, the parent company has agreed a forgiveness of debt amounting to £827,515 owed by Gerard Darel (UK) Limited.

The forgiveness of debt is conditional of the future profitability of the company. In the event that the company meet certain profitability criterias, the indebtedness will be reestablished.

The total of debt forgiven by the parent company under similar conditions cumulatively as at 31.12.2017 amounted to £10,095,999 (31.12.2016 : £9,268,484).

13. PENSION COSTS

The company operates a defined contribution pension scheme in respect of employees. The scheme and its assets are held by independent managers. The pension charge represents contributions paid by the company and amounted to £4,380 (2016 : £3,904). The amount outstanding at the year end was £699 (2016: £823).

Gerard Darel (UK) Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

14. TANGIBLE FIXED ASSETS

	Short leasehold property £	Fixtures, fittings and equipments £	Totals £
COST			
At 1 January 2017	503,211	1,557,945	2,061,156
Additions	32,285	224,119	256,404
Disposals	-	(253,679)	(253,679)
At 31 December 2017	<u>535,496</u>	<u>1,528,385</u>	<u>2,063,881</u>
DEPRECIATION			
At 1 January 2017	488,728	1,474,844	1,963,572
Charge for year	3,318	28,322	31,640
Eliminated on disposal	-	(237,338)	(237,338)
At 31 December 2017	<u>492,046</u>	<u>1,265,828</u>	<u>1,757,874</u>
NET BOOK VALUE			
At 31 December 2017	<u>43,450</u>	<u>262,557</u>	<u>306,007</u>
At 31 December 2016	<u>14,483</u>	<u>83,101</u>	<u>97,584</u>

15. STOCKS

	31.12.17 £	31.12.16 £
Finished goods	<u>1,362,214</u>	<u>1,504,448</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.17 £	31.12.16 £
Trade debtors	613,961	457,444
Amounts owed by group undertakings	208,147	265,863
Other debtors	343,795	92,066
Prepayments and accrued income	341,148	259,430
	<u>1,507,051</u>	<u>1,074,803</u>

Included above are financial instruments held at amortised costs amounting to £947,575 (2016: £815,373).

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Gerard Darel (UK) Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.17	31.12.16
	£	£
Trade creditors	944,240	68,984
Amounts owed to group undertakings	4,800,789	5,585,262
Social security and other taxes	298,541	270,499
Other creditors	699	823
Accruals and deferred income	158,133	166,620
	<u>6,202,402</u>	<u>6,092,188</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand. Included above are financial instruments held at amortised cost amounting to £5,827,450 (2016: £5,925,569).

18. LEASING AGREEMENTS

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

	31.12.17	31.12.16
	£	£
Within one year	1,061,000	867,000
Between one and five years	3,859,833	3,355,500
In more than five years	1,997,167	3,059,417
	<u>6,918,000</u>	<u>7,281,917</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.17	31.12.16
			£	£
1	Ordinary share	£1	<u>1</u>	<u>1</u>

20. CONTROLLING PARTY

The company's immediate parent undertaking and controlling party is DS Fashion Group, which is incorporated in France. DS Fashion Group is the smallest group which includes Gerard Darel (UK) Limited in its consolidated financial statements. Copies of its consolidated accounts, which include the company, are available from 130 rue Reaumur, 75002 Paris, France.

The company's ultimate parent undertaking and controlling party is HDGLMA, which is incorporated in France.

HDGLMA is the largest group which includes Gerard Darel (UK) Limited in its consolidated financial statements. Copies of its consolidated accounts, which include the company, are available from 250B Boulevard Saint Germain, 75007, Paris, France.