

DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2021

**DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED**

**CONTENTS**

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	Page
Company information	1
Strategic report	2 - 4
Directors' report	5
Directors' responsibilities statement	6
Independent auditor's report	7 - 10
Profit and loss account	11
Balance sheet	12
Statement of changes in equity	13
Notes to the financial statements	14 - 32

**DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED**

**COMPANY INFORMATION**

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<b>Directors</b>	D J L Bowden A N Joffe J Gilchrist R C Hallauer
<b>Registered number</b>	07877671
<b>Registered office</b>	6th Floor Charles House 5-11 Regent Street London SW1Y 4LR
<b>Auditors</b>	Blick Rothenberg Audit LLP Chartered Accountants & Statutory Auditor 16 Great Queen Street Covent Garden London WC2B 5AH

# DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 31 MAY 2021

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### Principal activities

The principal activities of the company during the year were the operation of a high end fashion store and online retailing.

### Business review

The business measures itself in a number of different ways using key performance indicators (KPIs); at the highest level these are as follows:

- Turnover growth which has fallen by 17.9% from £36.7m in 2020 to £30.1m in 2021;
- Gross margin which has fallen from 40.3% in 2020 to 38.7% in 2021; and
- Operating margin which has fallen from 4.3% in 2020 to -4.3% in 2021.

These KPIs have been impacted as a result of weaker trading results during the year, notably due to the COVID-19 pandemic which resulted in the store closing for multiple periods as a result of government lockdowns. In order to support the company during this time, the parent company has provided debt forgiveness of £1.7m during the year.

For the year ended 31 May 2021, the company made a loss before tax of £610,373 (2020: profit of £3,087,766) and this fall in profitability is in part a result of the company receiving a dividend for £2,175,000 in the 2020 year and no dividend being received in the 2021 year.

As at 31 May 2021, the company had net assets of £11,275,317 (2020: £11,694,563).

The value of stocks held at 31 May 2021 totalled £19,041,550 (2020: £15,283,754), an increase of 24.6%. Stock levels have increased due to the following reasons:

- Trade slowing during the year due to the store being closed for material periods of time during the year as a result of government lockdowns; and
- Trading levels and footfall being significantly lower than Pre-COVID-19 levels when the store was open, due in part to a lack of international customers.

### COVID-19

The financial year was dominated by the challenges of operating in the context of a global pandemic. This resulted in the temporary closure of the Haymarket store for material periods of the year, consistent with government guidelines, with the team working from home where possible. Whilst our headline revenues have been negatively impacted, we have mitigated this through significant growth in online sales.

We remain resolute in our commitment to the health, safety and wellbeing of our employees, clients and suppliers by adhering to all government guidelines and the implementation strict protocols and procedures.

# **DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED**

## **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021**

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### **Principal risks and uncertainties**

#### **Operating risks**

The directors consider that the principal operating risk and uncertainty facing the company is competition in the market from other retailers.

The directors have taken measures to minimise the company's exposure to this risk by ensuring their offering is continually reviewed, that displays are constantly updated and they are cutting and leading edge in their sector.

#### **Financial risk management objectives and policies**

##### **Liquidity risk**

The company manages its cash requirements to ensure that it has sufficient liquid resources to meet the operating needs of the business.

##### **Credit risk**

The company is exposed to credit risk. However, it manages this risk by only offering credit to pre-approved customers.

##### **Foreign exchange risk**

The company is exposed to foreign exchange risk as it purchases a significant proportion of its stock in foreign currencies. It manages this exposure by operating foreign currency bank accounts and, where possible, using foreign-denominated receipts to make payments in the same currency. Where surplus foreign currency funds exist, the company ensures that the timing of their conversion into sterling arises at favourable rates of exchange.

##### **Policy on payment of creditors**

The company declares its strictly implemented policy of punctual payment for materials and services according to the terms and conditions agreed with its suppliers which is in line with the government's recommendation on payment practices.

##### **Health and safety**

The company recognises its responsibilities, under the Health & Safety at Work Act 1974, for ensuring, so far as is reasonably practicable, the health, safety and welfare of its employees, temporary staff, and visitors to its premises and to others who may be affected by its operations and/or activities. Health and safety is regarded as a key component of the company's strategy and its operational considerations. It is a prime responsibility of the management team to promote a positive health and safety culture. The company will develop, install and support appropriate methods for the control of health and safety; means of securing employee co-operation; methods for the effective communication of health and safety information; means for ensuring the competence of its employees in health and safety matters.

The company will adequately resource the continuing implementation, operation and review of this policy.

# DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

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### Equal opportunities

The company is committed to an active equal opportunities policy from recruitment and selection, through training and development, appraisal and promotion to retirement.

It is the policy of the company to promote an environment free from discrimination, harassment and victimisation, where everyone will receive equal treatment regardless of gender, colour, ethnic or national origin, disability, age, marital status, sexual orientation or religion. All decisions relating to employment practices will be objective, free from bias and based solely upon work criteria and individual merit.

The company is responsive to the needs of its employees, customers and the community at large.

This report was approved by the board and signed on its behalf.

**D J L Bowden**

Director

Date: 26 May 2022

# DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2021

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The directors present their report and the financial statements for the year ended 31 May 2021.

### Results and dividends

The loss for the year, after taxation, amounted to £419,246 (2020 - profit £2,232,123).

The directors do not recommend the payment of a final dividend.

### Directors

The directors who served during the year were:

D J L Bowden  
A N Joffe

On 5 October 2021 J Gilchrist and R C Hallauer were appointed as directors.

### Charitable donations

There was £13,728 paid to local charities in the year (2020 - £NIL).

### Matters covered in the strategic report

As permitted by Section 414c(11) of the Companies Act 2006, the directors have elected to disclose information, required to be in the Directors' report by Schedule 7 of the 'Large and Medium-sized Companies and Group's (Accounts and Reports) Regulations 2008', in the strategic report.

### 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, Blick Rothenberg Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

**D J L Bowden**  
Director

Date: 26 May 2022

# DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED

## DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MAY 2021

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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 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'. 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 for the company's financial statements 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.



# **DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED FOR THE YEAR ENDED 31 MAY 2021**

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### **Opinion**

We have audited the financial statements of Dover Street Market International (DSMI) Limited (the 'company') for the year ended 31 May 2021, which comprise the profit and loss account, 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2021 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.

### **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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

# **DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021**

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### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 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.

### **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 strategic report or 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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 6, 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.

# DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

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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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the company's sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected movements;
- tested a sample of journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC.

## DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

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There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available 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 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.

Andrew Sanford (senior statutory auditor)

for and on behalf of

**Blick Rothenberg Audit LLP**

Chartered Accountants

Statutory Auditor

16 Great Queen Street

Covent Garden

London

WC2B 5AH

26 May 2022

# DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2021

	Note	2021 £	2020 £
Turnover	4	30,108,120	36,712,588
Cost of sales		(18,442,867)	(21,913,158)
<b>Gross profit</b>		<b>11,665,253</b>	<b>14,799,430</b>
Distribution costs		(2,370,506)	(2,053,496)
Administrative expenses		(11,460,720)	(11,415,597)
Other operating income	5	185,177	282,229
<b>Operating (loss)/profit</b>	6	<b>(1,980,796)</b>	<b>1,612,566</b>
Income from other fixed asset investments	9	-	2,175,000
Interest receivable and similar income	10	1,670,685	378,324
Interest payable and similar expenses	11	(299,863)	(1,078,124)
<b>(Loss)/profit before tax</b>		<b>(609,974)</b>	<b>3,087,766</b>
Tax on (loss)/profit	12	190,728	(855,643)
<b>(Loss)/profit for the financial year</b>		<b>(419,246)</b>	<b>2,232,123</b>

There are no items of other comprehensive income for either the year or the prior year other than the (loss)/profit for the year. Accordingly no statement of other comprehensive income has been presented.

**DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED****BALANCE SHEET  
AS AT 31 MAY 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	13	-	164,053
Tangible assets	14	6,023,823	6,601,985
Investments	15	13,811,527	12,892,361
		<u>19,835,350</u>	<u>19,658,399</u>
<b>Current assets</b>			
Stocks	16	19,041,550	15,283,754
Debtors: amounts falling due after more than one year	17	213,285	213,285
Debtors: amounts falling due within one year	17	3,724,409	3,627,161
Cash at bank and in hand	18	39,978	1,514,303
		<u>23,019,222</u>	<u>20,638,503</u>
Creditors: amounts falling due within one year	19	(27,893,104)	(23,353,939)
<b>Net current liabilities</b>		<u>(4,873,882)</u>	<u>(2,715,436)</u>
<b>Total assets less current liabilities</b>		<u>14,961,468</u>	<u>16,942,963</u>
Creditors: amounts falling due after more than one year	20	(3,686,151)	(5,057,672)
<b>Provisions for liabilities</b>			
Deferred tax	21	-	(190,728)
<b>Net assets</b>		<u>11,275,317</u>	<u>11,694,563</u>
<b>Capital and reserves</b>			
Called up share capital	22	14,001	14,001
Share premium account	24	2,996,000	2,996,000
Profit and loss account	24	8,265,316	8,684,562
<b>Total equity</b>		<u>11,275,317</u>	<u>11,694,563</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**D J L Bowden**  
Director

Date: 26 May 2022

## DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2021

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
<b>At 1 June 2019</b>	<b>14,001</b>	<b>2,996,000</b>	<b>6,452,439</b>	<b>9,462,440</b>
Profit for the financial year	-	-	2,232,123	2,232,123
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>2,232,123</b>	<b>2,232,123</b>
<b>At 31 May 2020 and at 1 June 2020</b>	<b>14,001</b>	<b>2,996,000</b>	<b>8,684,562</b>	<b>11,694,563</b>
Loss for the financial year	-	-	(419,246)	(419,246)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(419,246)</b>	<b>(419,246)</b>
<b>At 31 May 2021</b>	<b>14,001</b>	<b>2,996,000</b>	<b>8,265,316</b>	<b>11,275,317</b>

# DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

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### 1. General information

Dover Street Market International (DSMI) Limited's principal activities are the operation of a high end fashion store and online retailing.

The company is a private company limited by shares and is incorporated in England and Wales. The address of its registered office is 6th Floor Charles House, 5-11 Regent Street, London, SW1Y 4LR. The address of its principal place of business is 18-22 Haymarket, London, SW1Y 4DG.

The financial statements are presented in Sterling (£).

### 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 102 ("FRS 102"), the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The company was, at the end of the year, a subsidiary of Comme des Garçons International S.A.S., whose registered office is 16 Place Vendôme, 75001 Paris. In accordance with Section 400 of the Companies Act 2006, the company is not required to produce, and has not published, consolidated accounts.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44, 11.45, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) disclosures relating to financial instruments;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Comme des Garçons International S.A.S. as at 31 May 2021 and these financial statements may be obtained from its registered office at 16 Place Vendôme, 75001 Paris.

The following accounting policies have been applied:



# DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

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### 2. Accounting policies (continued)

#### 2.2 Going concern

As outlined in the strategic report and illustrated in the financial statements, the company made a loss of £419,246 in the year ended 31 May 2021 caused by the effects of COVID-19 on the business and the closure of the store due to national lockdowns and lower footfall.

Subsequent to the year end, the company has made further significant losses.

The company is forecast to make a return to profitability in the year to 31 May 2023. Initial projections show an increase in turnover to £54.5m and operating profit of £3.5m. However, as with all projections there can be no certainty of these outcomes. The projections are predicated on no undue interruption of the business caused by COVID-19 variants and a return to pre-pandemic patterns of trading through increased footfall, and the return of overseas customers.

In light of the potential concerns noted above, the directors have also obtained a letter of support from the parent company, Comme des Garçons International S.A.S, for a period of at least twelve months from the date on which these financial statements were signed.

Having considered post year end trading, financial results, cash reserves and the ongoing support of the parent company, and after making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date of these financial statements were approved. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### 2.3 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. The following criteria must also be met before revenue is recognised:

##### **Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 2.4 Investments

Investments in subsidiaries and associates are measured at cost less accumulated impairment.

# DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

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### 2. Accounting policies (continued)

#### 2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying value amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

#### 2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account.

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.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements.

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. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date, and that are expected to apply to the reversal of timing differences.

#### 2.7 Financial instruments

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

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.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

# DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

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### 2. Accounting policies (continued)

#### Financial instruments (continued)

##### Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, intercompany working capital balances, and intercompany financing are initially recognised at transaction price, 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

##### Financial liabilities

Basic financial liabilities, including trade and other creditors and loans from fellow group companies, 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

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

##### Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

# DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

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### 2. Accounting policies (continued)

#### Financial instruments (continued)

##### Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

##### Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

### 2.8 Intangible assets

#### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the profit and loss account over its useful economic life of nine years.

# DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

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### 2. Accounting policies (continued)

#### 2.9 Tangible fixed assets

Tangible fixed assets 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, and dismantling and restoration.

##### Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over their useful life.

Repairs, maintenance and minor inspection costs are expensed as incurred.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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:

Leasehold improvements	-	7 - 33% straight line
Plant & machinery	-	25% straight line
Fixtures & fittings	-	25% straight line
Computer equipment	-	25% straight line
Other fixed assets	-	25 - 33% 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 profit or loss.

#### 2.10 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the term of the lease.

#### 2.11 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

# DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

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### 2. Accounting policies (continued)

#### 2.12 Share capital

Ordinary shares are classified as equity.

#### 2.13 Interest income

Interest income is recognised in the profit and loss account using the effective interest method.

#### 2.14 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the profit and loss account in the same period as the related expenditure.

#### 2.15 Foreign currency translation

##### Functional and presentation currency

The company's functional and presentational currency is pound sterling.

##### 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 profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within interest receivable or payable. All other foreign exchange gains and losses are presented in the profit and loss account within 'gross profit'.

#### 2.16 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 2.17 Pensions

##### Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

# DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

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### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the key judgments made by the directors are:

#### Impairment of investments

The company considers whether investments are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

#### Stock provisioning

The carrying value of stock, at the lower of cost and net realisable value, is dependent on key judgments and estimates that are made by management. The judgments relating to stock include an estimation of future expected average sales prices and disposal costs. These judgments also include consideration of specific factors and the developments in the market that have been identified throughout the year and subsequent to the year end. Actual outcomes could be different to the assumptions used in determining the estimates.

### 4. Turnover

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	23,477,475	24,604,431
Rest of Europe	2,205,572	3,623,869
Rest of the world	4,425,073	8,484,288
	<u>30,108,120</u>	<u>36,712,588</u>

### 5. Other operating income

	2021 £	2020 £
Government grants receivable under the Coronavirus Job Retention Scheme	<u>185,177</u>	<u>282,229</u>

# DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

### 6. Operating (loss)/profit

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

	2021 £	2020 £
Impairment of stock (included in cost of sales)	2,449,751	978,166
Depreciation of tangible fixed assets	945,486	964,461
Amortisation of intangible assets, including goodwill	165,750	327,614
Operating lease rentals	3,986,769	3,940,101
Fees payable to the company's auditor for the audit of the company's annual accounts	21,619	21,000
Fees payable to the company's auditor and its associates for non-audit services	7,042	10,280
Exchange differences	(1,563,033)	(452,399)
Loss on disposal of tangible fixed assets	17,785	26,246

### 7. Employees

Staff costs, including directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	4,310,528	5,057,076
Social security costs	463,414	554,586
Pension costs	129,343	137,159
	<u>4,903,285</u>	<u>5,748,821</u>

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

	2021 No.	2020 No.
Selling and customer service	96	119
Administration	25	22
	<u>121</u>	<u>141</u>



# DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

### 8. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	264,226	261,083
Company contributions to defined contribution pension schemes	21,600	20,907
	<u>285,826</u>	<u>281,990</u>

During the year retirement benefits were accruing to 1 director (2020 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £264,226 (2020 - £261,083).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £21,600 (2020 - £20,907).

### 9. Income from investments

	2021 £	2020 £
Dividends received from subsidiaries	<u>-</u>	<u>2,175,000</u>

### 10. Interest receivable and similar income

	2021 £	2020 £
Interest receivable on intercompany balances	5,599	14,858
Forgiveness of intercompany loans	1,665,086	363,466
	<u>1,670,685</u>	<u>378,324</u>

### 11. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	25,882	22,572
Interest payable to group undertakings	273,981	291,778
Forgiveness of intercompany loans	-	763,774
	<u>299,863</u>	<u>1,078,124</u>

# DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

### 12. Taxation

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profit for the year	-	371,281
<b>Deferred tax</b>		
Origination and reversal of timing differences	18,091	23,036
Adjustments in respect of prior years	-	461,326
Losses carried forward	(208,819)	-
<b>Total deferred tax</b>	<b>(190,728)</b>	<b>484,362</b>
<b>Tax on profit on ordinary activities</b>	<b>(190,728)</b>	<b>855,643</b>

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - higher than) the standard rate of corporation tax in the UK of 19.00% (2020 - 19.00%). The differences are explained below:

	2021 £	2020 £
(Loss)/profit on ordinary activities before tax	(609,974)	3,087,766
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(115,971)	586,676
<b>Effects of:</b>		
Expenses not deductible for tax purposes	66,564	82,539
Dividend income not taxable	-	(413,250)
Depreciation on ineligible assets	46,264	119,459
Difference in tax rates between current and deferred tax	-	18,893
Adjustments to tax charge in respect of prior periods	(31,572)	461,326
Forgiveness of debt not taxable	(260,456)	-
Other timing differences leading to an increase in taxation	104,443	-
<b>Total tax charge for the year</b>	<b>(190,728)</b>	<b>855,643</b>

# DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

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### 12. Taxation (continued)

#### Factors that may affect future tax charges

In the Spring Budget 2021 on 3 March 2021, the Government announced that from 1 April 2023 the corporation tax rate would increase to 25% for companies with profits of over £250,000. A small profits rate will also be introduced for companies with profits of £50,000 or less so that they will continue to pay corporation tax at 19%. From this date companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate.

As the proposal to increase the rate had been substantively enacted at the balance sheet date, its

effects on the measurement of deferred tax that have been measured at the newly enacted 25% rate,

has been included in these financial statements.

### 13. Intangible assets

	<b>Goodwill</b>
	<b>£</b>
<b>Cost</b>	
At 1 June 2020	<b>2,948,825</b>
At 31 May 2021	<b>2,948,825</b>
<b>Amortisation</b>	
At 1 June 2020	<b>2,784,772</b>
Charge for the year	<b>164,053</b>
At 31 May 2021	<b>2,948,825</b>
<b>Net book value</b>	
At 31 May 2021	<b>-</b>
<b>At 31 May 2020</b>	<b>164,053</b>

The goodwill arose on the acquisition of the trade and assets of the Dover Street Market International branch of Comme des Garçons International S.A.S. in December 2011. The asset is carried at £Nil (2020: £164,053) as the asset was completely amortised during the year.

# DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

### 14. Tangible fixed assets

	Leasehold improvements £	Plant & machinery £	Fixtures & fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 June 2020	8,646,388	40,621	1,203,708	520,993	10,411,710
Additions	29,797	10,231	94,486	250,593	385,107
Disposals	(37,318)	-	(12,566)	-	(49,884)
At 31 May 2021	8,638,867	50,852	1,285,628	771,586	10,746,933
<b>Depreciation</b>					
At 1 June 2020	2,603,877	33,092	816,849	355,907	3,809,725
Charge for the year	666,667	5,742	189,958	83,119	945,486
Disposals	(22,673)	-	(9,428)	-	(32,101)
At 31 May 2021	3,247,871	38,834	997,379	439,026	4,723,110
<b>Net book value</b>					
At 31 May 2021	5,390,996	12,018	288,249	332,560	6,023,823
At 31 May 2020	6,042,511	7,529	386,859	165,086	6,601,985

# DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

### 15. Fixed asset investments

	Investments in subsidiary companies £	Investments in associates £	Total £
<b>Cost</b>			
At 1 June 2020	12,781,489	110,872	12,892,361
Additions	919,166	-	919,166
At 31 May 2021	<u>13,700,655</u>	<u>110,872</u>	<u>13,811,527</u>

The directors are satisfied that the carrying value of the investments in subsidiary undertakings is appropriate on the basis of support from the ultimate parent underwriting for any losses that may arise as a result of the company's investment in Dover Street Market New York LLC and Dover Street Market Paris.

#### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Dover Street Market New York LLC	167 Lexington Avenue, Ste.100, New York, NY10016	Operation of a high end fashion store and online retailing	Ordinary	100 %
Dover Street Market Japan Co. Limited	5-11-15 Minimiaoyama, Minato-ku, Tokyo, 107-0062, Japan	Operation of a high end fashion store and online retailing	Ordinary	100 %
Dover Street Market LA LLC	608 Imperial St, Los Angeles, CA 90021, USA	Operation of a high end fashion store and online retailing	Ordinary	100 %
Dover Street Market Paris	16 Place Vendome, Paris 75001, France	Cosmetic and beauty	Ordinary	100 %

### 16. Stocks

	2021 £	2020 £
Finished goods and goods for resale	<u>19,041,550</u>	<u>15,283,754</u>

# DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

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### 17. Debtors

	2021 £	2020 £
<b>Due after more than one year</b>		
Other debtors	213,285	213,285
	<u>213,285</u>	<u>213,285</u>
	2021 £	2020 £
<b>Due within one year</b>		
Trade debtors	1,254,490	1,118,078
Amounts owed by group undertakings	846,646	1,691,385
Other debtors	693,939	11,652
Prepayments and accrued income	929,334	806,046
	<u>3,724,409</u>	<u>3,627,161</u>

Amounts owed by group undertakings are interest free, have no fixed repayment date and are repayable on demand.

### 18. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	<u>39,978</u>	<u>1,514,303</u>

# DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

### 19. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	5,978,757	5,735,723
Amounts owed to group undertakings	18,505,173	13,623,855
Corporation tax	371,281	371,281
Other taxation and social security	171,579	743,698
Other creditors	134,252	94,360
Accruals and deferred income	2,732,062	2,785,022
	<u>27,893,104</u>	<u>23,353,939</u>

Included in other creditors is £54,033 (2020: £43,993) in relation to unpaid pensions contributions.

Included in amounts owed to group undertakings is £3,276,599 (2020: £3,052,925) bearing interest at 4.1% and £4,779,211 (2020: £5,982,277) bearing interest at 2.1% per annum and £1,634,900 (2020: £1,928,340) bearing interest at 1% per annum.

### 20. Creditors: amounts falling due after more than one year

	2021 £	2020 £
Amounts owed to group undertakings	<u>3,686,151</u>	<u>5,057,672</u>

Amounts owed to group undertakings bear interest at rates between 1% and 2.1% per annum.

### 21. Deferred taxation

	2021 £	2020 £
At the beginning of the year	(190,728)	293,634
Charged/(credited) to profit or loss	190,728	(484,362)
At the end of the year	<u>-</u>	<u>(190,728)</u>

# DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

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### 21. Deferred taxation (continued)

The deferred taxation balance is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	304,057	267,483
Tax losses carried forward	(293,791)	(68,407)
Other timing differences	(10,266)	(8,348)
	<u>-</u>	<u>190,728</u>

### 22. Share capital

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
14,001 ordinary shares of £1 each	<u>14,001</u>	<u>14,001</u>

As at year end, there is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

Subsequent to year end, on 5 November 2021, the company redesignated 6,650 ordinary shares to preference shares.



# DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

### 23. Related party transactions

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

Transactions with other related parties are as follows:

Relationship	Transaction	Amount due (to)/from related parties			
		Amount		2021	2020
		2021	2020	2021	2020
		£	£	£	£
Entities with control or significant influence	Sales	80,115	63,001	(5,489,472 )	(4,029,661 )
	Purchases	4,122,549	4,374,741	-	-
	Interest payable	36,288	110,098	(8,190,908 )	(9,021,985 )
	Loan forgiveness	1,665,086	363,465	-	-
	Interest payable	36,288	110,098	(8,190,908 )	(9,021,985 )
Fellow subsidiary undertakings	Sales	44,463	66,164	-	-
	Purchases	9,666,358	6,746,461	(8,277,625 )	(5,266,624 )
	Management fees	715,568	85,361	-	-

Amounts owed to related parties are unsecured, interest free and due for repayment within one year.

### 24. Reserves

#### Share premium account

The share premium reserve included any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium.

#### Profit & loss account

The profit and loss account includes all current and prior period retained profits and losses.

### 25. Commitments under operating leases

At 31 May 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021	2020
	£	£
Not later than 1 year	3,276,027	3,172,364

Later than 1 year and not later than 5 years	<b>12,422,896</b>	12,778,311
Later than 5 years	<b>24,825,202</b>	27,745,814
	<b><u>40,524,125</u></b>	<b><u>43,696,489</u></b>

# DOVER STREET MARKET INTERNATIONAL (DSMI) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

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### 26. Controlling party

The immediate parent undertaking is Comme des Garçons International S.A.S., a company incorporated in France. Group financial statements, in which the company is consolidated, are prepared and are available from 16 Place Vendome, 75001, Paris.

In the opinion of the directors the ultimate parent undertaking is Comme des Garçons Co. Limited, a company incorporated in Japan.

The ultimate controlling party is R Kawakubo by virtue of her shareholding in the parent company.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.