

Company Registration No. 09932604 (England and Wales)

DJM 88 LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
PAGES FOR FILING WITH REGISTRAR

DJM 88 LIMITED

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DJM 88 LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 \$	\$	2017 \$	\$
Fixed assets					
Investments	4		7,272,335		7,269,729
Current assets					
Debtors	8	7,378,633		7,607,925	
Investments	9	7,413,273		9,562,828	
Cash at bank and in hand		2,861,156		866,528	
		<u>17,653,062</u>		<u>18,037,281</u>	
Creditors: amounts falling due within one year	10	<u>(756,040)</u>		<u>(58,272)</u>	
Net current assets			16,897,022		17,979,009
Total assets less current liabilities			<u>24,169,357</u>		<u>25,248,738</u>
Creditors: amounts falling due after more than one year	11		<u>(24,222,941)</u>		<u>(25,251,524)</u>
Net liabilities			<u>(53,584)</u>		<u>(2,786)</u>
Capital and reserves					
Called up share capital	12		1,480		1,480
Profit and loss reserves			<u>(55,064)</u>		<u>(4,266)</u>
Total equity			<u>(53,584)</u>		<u>(2,786)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

DJM 88 LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2018

The financial statements were approved by the board of directors and authorised for issue on 5 December 2019 and are signed on its behalf by:

Dejan Markovic
Director

Company Registration No. 09932604

DJM 88 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

DJM 88 Limited is a private company limited by shares incorporated in England and Wales. The registered office is Second Floor De Burgh House, Market Road, Wickford, Essex, SS12 0FD.

1.1 Accounting convention

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

The financial statements are prepared in US dollars, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest \$.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

The directors have prepared the financial statements on the going concern basis although the balance sheet shows negative shareholders funds. This is considered appropriate as the company's shareholders and creditors will continue to provide financial support to the company for the foreseeable future and the company is expecting to make profits in future years that will reverse this position. Should the company be unable to continue trading, adjustments would have to be made to reduce the value of assets to their recoverable amounts, to provide for any further liabilities which might arise.

1.3 Fixed asset investments

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

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

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

1.4 Cash at bank and in hand

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

DJM 88 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.5 Financial instruments

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

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

Basic financial assets

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

DJM 88 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.7 Taxation

The tax expense represents the sum of the tax currently payable.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.8 Foreign exchange

Transactions in currencies other than US dollars are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 0 (2017 - 0).

3 Taxation

	2018	2017
	\$	\$
Current tax		
UK corporation tax on profits for the current period	16,348	2,340
	<u> </u>	<u> </u>

4 Fixed asset investments

	2018	2017
	\$	\$
Investments	7,272,335	7,269,729
	<u> </u>	<u> </u>

DJM 88 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

4 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings and participating interests
	\$
Cost or valuation	
At 1 January 2018	7,269,729
Additions	2,606
At 31 December 2018	7,272,335
Carrying amount	
At 31 December 2018	7,272,335
At 31 December 2017	7,269,729

5 Subsidiaries

Details of the company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
754 NE 71 St LLC	US	Holding company	Ordinary	0	100.00
754 NE 71ST Holdings, Inc	US	Holding company	Ordinary	100.00	-
Arca Fashion S.A.	Luxembourg	Fashion and design	Ordinary	100.00	-
Feng Shui Style Holdings, Inc	US	Holding company	Ordinary	100.00	-
Feng Shui Styllle LLC	US	Holding company	Ordinary	0	100.00
Gugi Corp	US	Holding company	Ordinary	100.00	-
Ladolaz D.O.O.	Serbia	Holding company	Ordinary	100.00	-
Villa Italia Management Holdings, Inc	US	Dormant company	Ordinary	100.00	-
CVS Model Management SRL Italy		Fashion and design	Ordinary	0	100.00
Hook App Limited	UK	Dormant company	Ordinary	100.00	-
Micro Credit App Limited	UK	Dormant company	Ordinary	100.00	-

DJM 88 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

5 Subsidiaries

(Continued)

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	\$	\$
754 NE 71 St LLC	(9,382)	491,330
Arca Fashion S.A.	(711,281)	(586,652)
Feng Shui Style LLC	72,354	115,573
Gugi Corp	69,387	5,104,447
Ladolez D.O.O.	(27,122)	841,202
CVS Model Management SRL	1,448,768	1,647,425

The financial statement for the following subsidiary was not available for the period ended 31 December 2018:

-754 NE 71ST Holdings, Inc.

-Feng Shui Style Holdings, Inc.

-Villa Italia Management Holdings Inc. - confirmed dormant

-Hook App Limited. - confirmed dormant

-Micro Credit App Limited. - confirmed dormant

6 Associates

Details of the company's associates at 31 December 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Premonition Analytics Limited	UK	Holding company	Ordinary and preference shares	5.00 -

7 Financial instruments

	2018 \$	2017 \$
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	7,413,273	9,562,828

8 Debtors

	2018 \$	2017 \$
Amounts falling due within one year:		
Amounts owed by group undertakings	7,378,633	7,607,925

DJM 88 LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2018****9 Current asset investments**

	2018	2017
	\$	\$
Other investments	7,413,273	9,562,828

Included within other investments are various bonds the company acquired during the year along with the interest received and receivable on the bonds during the period.

10 Creditors: amounts falling due within one year

	2018	2017
	\$	\$
Trade creditors	752	40,372
Corporation tax	16,348	2,340
Other creditors	738,940	15,560
	756,040	58,272

11 Creditors: amounts falling due after more than one year

	2018	2017
	\$	\$
Other creditors	24,222,941	25,251,524

12 Called up share capital

	2018	2017
	\$	\$
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary share of £1 each	1,480	1,480
	1,480	1,480

DJM 88 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

13 Related party transactions

Included within amounts owed by group undertakings, is an amount of \$5,686,115 (2017: \$5,760,183) due from Gugi Corp, a subsidiary of the company. This loan is provided interest free and is repayable on demand. During the year, the company received \$74,068.

Included within amounts owed by group undertakings, is an amount of \$255,359 (2017: \$1,183,292) due from Feng Shui Style Holdings, Inc, a subsidiary of the company. This loan is provided interest free and is repayable on demand. During the year, the company received \$927,933.

Included within amounts owed by group undertakings, is an amount of \$598,635 (2017: \$608,017) due from 754 NE 71ST Holdings, Inc, a subsidiary of the company. This loan is provided interest free and is repayable on demand. During the year, the company received \$9,382.

Included within amounts owed by group undertakings, is an amount of \$821,430 (2017: \$39,339) due from Arca Fashion S.A., a subsidiary of the company. This loan is provided interest free and is repayable on demand. The company advanced a further \$782,091 during the year.

Included within amounts owed by group undertakings, is an amount of \$17,094 (2017: \$17,094) due from Ladolez D.O.O., a subsidiary of the company. This loan is provided interest free and is repayable on demand.

Included within other creditors due after more than one year is a balance of \$24,222,941 (2017: \$25,251,524) owed to a shareholder of the company. This loan is interest free and repayable upon demand.

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