Company Registration No. 02843377 (England and Wales)

CHAUMET (LONDON) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

CHAUMET (LONDON) LIMITED

COMPANY INFORMATION

Directors	JMP Mansvelt JFAE Kapuscik
Secretary	Castlegate Secretaries Limited
Company number	02843377
Registered office	15th Floor 6 Bevis Marks Bury Court London United Kingdom EC3A 7BA
Auditor	Deloitte LLP Statutory Auditor London United Kingdom
Bankers	National Westminster Bank plc PO Box 348 Regents House 42 Islington High Street London N1 8FT
Solicitors	Browne Jacobson LLP 6 Bevis Marks London EC3A 7BA

CHAUMET (LONDON) LIMITED

CONTENTS

CHAUMET (LONDON) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their annual report and the audited financial statements for the year ended 31 December 2017. The director's report has been prepared in accordance with the provisions under s415a of the Companies Act 2006 applicable to companies entitled to the small companies exemption. Accordingly no strategic report has been presented.

Principal activities
The principal activity of the company continued to be that of the sale of jewellery.

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

JMP Mansvelt
JFAE Kapuscik

Results and dividends
The company generated a loss for the year that amounted to £96,429 (2016: loss of £325,022).

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Post reporting date events
The directors do not consider there to be any post balance sheet events to be disclosed.

Going concern
The balance sheet shows that the company has net current liabilities of £1,583,805 (2016: £1,434,969) and net liabilities of £1,079,021 (2016: £982,592). The company has the continued support of the ultimate parent undertaking (LVMH Moet Hennessey Louis Vuitton SE) through a letter of support which covers a period of at least a year from the date the accounts are signed. Thus the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Auditor
Deloitte LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

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

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

On behalf of the board

....
JFAE Kapuscik
Director
.19.September 2018

CHAUMET (LONDON) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 101 "Reduced Disclosure Framework". 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; and

- 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 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.

CHAUMET (LONDON) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHAUMET (LONDON) LIMITED

Opinion

In our opinion the financial statements of Chaumet (London) 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 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

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 directors' report has 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.

We have nothing to report in respect of these matters.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.

Chris Donovan (Senior Statutory Auditor)
for and on behalf of Deloitte LLP

Statutory Auditor

20 September 2018

Statutory Auditor
London
United Kingdom

CHAUMET (LONDON) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Turnover	3	8,262,313	7,444,458
Cost of sales		(3,520,934)	(3,561,838)
Gross profit		4,741,379	3,882,620
Distribution costs		(439,738)	(292,570)
Administrative expenses		(4,433,863)	(4,055,247)
Other operating income	4	47,211	147,905
Operating loss	5	(85,011)	(317,292)
Interest payable and similar expenses	7	(11,418)	(7,730)
Loss before taxation		(96,429)	(325,022)
Tax on loss	8	-	-
Loss for the financial year attributable to owners of the Company		(96,429)	(325,022)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no gains or losses other than those shown above. Accordingly, no statement of other comprehensive income has been presented.

CHAUMET (LONDON) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Intangible assets	9		1,048		1,481
Tangible assets	10		503,736		450,896
			504,784		452,377
Current assets					
Debtors	11	1,349,613		1,108,349	
Cash at bank and in hand		27,633		-	
		1,377,246		1,108,349	
Creditors: amounts falling due within one year	12	(2,961,051)		(2,543,318)	
Net current liabilities			(1,583,805)		(1,434,969)
Total assets less current liabilities			(1,079,021)		(982,592)
Capital and reserves					
Called up share capital	14		5,900,002		5,900,002
Other reserves			790,303		790,303
Profit and loss account			(7,769,326)		(7,672,897)
Shareholders funds			(1,079,021)		(982,592)

The notes on pages 9 to 19 form an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 19/09/2018 and are signed on its behalf by:

....
JFAE Kapuscik
Director

Company Registration No. 02843377

CHAUMET (LONDON) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Called-up share capital £	Other reserves £	Profit and loss account £	Total £
Balance at 1 January 2016		5,900,002	790,303	(7,347,875)	(657,570)
Year ended 31 December 2016:					
Loss for the year		-	-	(325,022)	(325,022)
Balance at 31 December 2016		5,900,002	790,303	(7,672,897)	(982,592)
Year ended 31 December 2017:					
Loss for the year		-	-	(96,429)	(96,429)
Balance at 31 December 2017		5,900,002	790,303	(7,769,326)	(1,079,021)

In the year ended 31 December 2001 the parent company made a capital contribution totalling £790,303. This amount has been included in an "Other Reserve" account.

1 Accounting policies

General information
Chaumet (London) Limited (the Company) is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006, and registered in England and Wales. The address of the registered office is given on the Company Information page. The nature of the Company's operations and its principal activities are set out in the director's report on page 1.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

These financial statements are separate financial statements. The Company is included in the group accounts of LVMH Moet Louis Vuitton SE ("LVMH"). The group accounts of the LVMH Moet Hennessy Louis Vuitton SE ("LVMH") can be obtained from 22, avenue Montaigne, 75008, Paris, France.

The Company has applied FRS 101 'Reduced Disclosure Framework' incorporating the Amendments to FRS 101 issued by the FRC in July 2015 other than those relating to legal changes and has applied the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 that are effective for accounting periods beginning on or after 1 January 2016. New standards effective for accounting periods beginning on or after 1 January 2017 were not applicable to the Company.

1.1 Significant accounting policies

Basis of accounting
The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council.. The financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

Where relevant, equivalent disclosures have been given in the group accounts of LVMH Moet Hennessy Louis Vuitton SE ("LVMH"). The group accounts of LVMH Moet Hennessy Louis Vuitton SE ("LVMH") are available to the public and can be obtained as set out in note 1.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

The significant accounting policies adopted are set out below.

1 Accounting policies (Continued)

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

1.2 Going concern

The Company made losses before taxation of £96,429 (2016:loss of £325,022) and has net liabilities of £1,079,021 (2016: net liabilities of £982,592). The Company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The company has received written confirmation that it has the continued support of the ultimate parent undertaking as noted in the director's report. The company has made a loss for the year and is in a net current liabilities position. Whilst a return to profitability is anticipated in the longer term, the directors have obtained assurances from the ultimate parent company, LVMH Moet Hennessy Louis Vuitton S.E.(LVMH) that it will continue to provide any such financial support as maybe necessary to enable the company to pay its liabilities as they fall due for a period of at least 12 months from the date of signature of these financial statements.

Therefore the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

1.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Revenue is recognised at point of sale. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Revenue to third parties are recognised when the risks and rewards of ownership have been transferred, which is generally upon delivery to the customer.

Other operating income is measured at the fair value of the consideration received or receivable and represents amounts receivable for rental of property, net of discounts, VAT and other sales related taxes. Other operating income is recognised in relation to the period it relates.

1 Accounting policies **(Continued)**

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	20% per annum straight line

1.5 Tangible fixed assets

All fixed assets are stated at cost less accumulated depreciation and reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

Depreciation

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method, on the following bases:

Short leasehold land and buildings	10% per anum straight line
Fixtures and fittings	20% per annum straight line

A fixed asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrappage of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

1.6 Borrowing costs related to fixed assets

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

1 Accounting policies **(Continued)**

1.7 Impairment of fixed assets

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets are amortised on a straight line method of 20% per annum.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stock

At the year end the company held stock on its premises in respect of consignment stock from Chaumet International SA. The stock remains the property of Chaumet International SA until such time as it is sold when Chaumet (London) Limited is charged for the stock. No deposit has been paid on this stock and there are no other significant terms relating to this stock.

1.9 Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measure at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities measured at fair value through profit or loss) are recognised in the balance sheet as appropriate, on initial recognition.

Financial assets

The classification of a financial asset determines its accounting treatment and depends on the nature and purpose for which the financial asset was acquired. Purchases and sales of financial assets are recognised on the trade date, which is the date the Company is committed to the purchase or sale of the asset. A financial asset is derecognised if the contractual rights to the cash flows from the financial asset expire or the asset has expired or has been transferred and the Company has transferred substantially all the risks and rewards of ownership.

The Company classifies its financial assets as loans and receivables.

1 Accounting policies **(Continued)**

Loans and receivables are financial assets with flexed or determinable payments that are not quoted in an active market. They are included in current assets, except for those that have maturities greater than twelve months after the balance sheet date. These are classified as non-current assets. Loans and receivable are carried at amortised cost using the effective interest method.

Financial liabilities

With the exception of derivative liabilities, which are accounted for at fair value through profit or loss, the Company recognises all financial liabilities initially at fair value and subsequently at amortised cost, using the effective interest method. Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

1.10 Taxation

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

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.

Deferred tax

Deferred income tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The measurement of deferred tax amounts depends on the way in which the Company intends to recover or settle the carrying amount of assets and liabilities and is determined using tax rates (and laws) that have been enacted, or substantially enacted, by the balance sheet date and are expected to apply when the related deferred income tax asset in realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probably that future taxable profits will be available against the temporary differences and the carry-forward of unused tax losses, and of unused tax credits, can be utilised. The Company reviews its deferred tax balances at each balance sheet date to take into account factors such as the impact of changes in tax laws and the prospects of recovering deferred tax assets from deductible temporary differences and from the carry-forward of unused tax losses and of unused tax credits.

1.11 Operating lease agreements

Rentals under operating leases are charged on a straight line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable and liabilities paid and payable as incentives or premiums to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate shorter than the full lease term, in which case the shorter period is used.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1 Accounting policies **(Continued)**

1.12 Pension costs

The Company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

1.13 *Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All differences are taken to the profit and loss account.

2 Judgements and key sources of estimation uncertainty

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.

In the directors views there are no key judgements or estimation uncertainties.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017	**2016**
	£	**£**
Turnover		
Sale of goods	8,262,313	7,444,458

Turnover and profit before taxation are attributable to the principle activity of the Company. All turnover is derived from one class of business within the United Kingdom.

4 Other Operating Income

	2017	**2016**
	£	**£**
Rental income	47,211	147,905

5 Operating loss

	2017	2016
Operating loss for the year is stated after charging	£	£
Exchange losses	2,670	2,402
Fees payable to the company's auditor for the audit of the company's financial statements	5,610	6,399
Depreciation of owned tangible fixed assets	96,913	119,195
Staff costs (see Note 6)	1,079,394	1,041,795
Amortisation of intangible assets	433	433
Operating lease charges	1,002,591	1,002,451

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017	2016
	Number	Number
Sales	17	15

Their aggregate remuneration comprised:

	2017	2016
	£	£
Wages and salaries	935,811	909,953
Social security costs	109,755	100,618
Pension costs	33,828	31,224
	1,079,394	1,041,795

The directors are executives of the immediate parent company Chaumet International SA. The directors received remuneration from Chaumet International SA during the current and prior year, but it is not practicable to allocate this between their services as executives of Chaumet (London) Limited and their services as directors of Chaumet International SA. Therefore, nil (2016: £nil) remuneration is presented.

7 Interest payable and similar expenses

	2017	2016
	£	£
Interest payable to group undertakings	11,418	7,730

8 Taxation

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2017	2016
	£	£
Loss before taxation	(96,429)	(325,022)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	(18,563)	(65,004)
Tax effect of expenses that are not deductible in determining taxable profit	21,728	21,158
Change in unrecognised deferred tax assets	-	(521)
Movement on unprovided timing differences	(12,863)	(2,951)
Group relief surrendered	6,595	47,318
Non-trading losses carried forward	3,103	-
Taxation for the year	-	-

A deferred tax asset of £34,258 (2016: £36,208) in respect of losses carried forward and other timing differences has not been recognised on the basis that there is insufficient evidence that the asset will be recoverable. The asset will become recoverable as the company generate taxable profits against which recovery can be made.

The Finance (No. 2) Act 2015, which provides for reductions in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020, was substantively enacted on 26 October 2015. Subsequently, the Finance Act 2016, which provides for a further reduction in the main rate of corporation tax to 17% effective from 1 April 2020, was substantively enacted on 6 September 2016. These rate reductions have been reflected in the calculation in unrecognised deferred tax.

9 Intangible fixed assets

	Software
	£
Cost	
At 1 January 2017 and 31 December 2017	2,167
Amortisation and impairment	
At 1 January 2017	686
Amortisation charged for the year	433
At 31 December 2017	1,119
Carrying amount	
At 31 December 2017	1,048
At 31 December 2016	1,481

Intangible assets comprise software purchased from a third party.

10 Tangible fixed assets

	Short leasehold land and buildings	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 January 2017	306,388	501,544	807,932
Additions	-	149,753	149,753
At 31 December 2017	306,388	651,297	957,685
Depreciation and impairment			
At 1 January 2017	188,778	168,258	357,036
Depreciation charged in the year	(593)	97,506	96,913
At 31 December 2017	188,185	265,764	453,949
Carrying amount			
At 31 December 2017	118,203	385,533	503,736
At 31 December 2016	117,610	333,286	450,896

11 Debtors

	2017	2016
Amounts falling due within one year:	£	£
Trade debtors	1,002,538	808,887
Other debtors	1,827	645
Prepayments and accrued income	345,248	298,817
	1,349,613	1,108,349

12 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	517	81,807
Amounts due to intermediate parent undertakings	1,491,007	384,791
Amounts due to fellow subsidiary undertakings	640,297	1,117,152
Other taxation and social security	206,639	301,219
Other creditors	25,029	26,710
Accruals and deferred income	597,562	631,639
	2,961,051	2,543,318

Amounts due to the intermediate parent undertaking are repayable on demand and relate to a balance arising as a result of cash pooling arrangements on which interest is charged at 0.4% above LIBOR. Amounts due to the fellow subsidiary undertaking represents intercompany purchases and are payable within 60 days.

13 Retirement benefit schemes

	2017	2016
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	33,828	31,224

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

At the year end there are no (2016: £nil) outstanding contributions and no (2016: £nil) prepaid contributions.

14 Share capital

	2017	2016
	£	£
Ordinary share capital		
Authorised, allotted, called-up and fully paid		
5,900,002 Ordinary shares of £1 each	5,900,002	5,900,002

15 Operating lease commitments

Lessee

Operating lease charges represent rentals payable by the Company on certain properties. The lease has a duration of up to 13 years.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017	2016
	£	£
Within one year	1,000,000	1,000,000
Between two and five years	4,000,000	4,000,000
In over five years	8,000,000	9,000,000
	13,000,000	14,000,000

16 Related party transactions

The Company has taken advantage of the exemption granted by paragraph 8(k) of FRS 101 not to disclose all transactions with members of the same group.

During the year the Company made no related party transactions other than those covered by the exemption (2016: same).

17 Controlling party

In the directors' opinion the Company's ultimate controlling party at the balance sheet date was LVMH Moet Hennessey Louis Vuitton SE ("LVMH"), a Company incorporated in France.

The Company's immediate parent undertaking at the balance sheet date was Chaumet International SA, a Company registered in France at 12 place Vendome, 75001, Paris.

LVMH is the largest and smallest undertaking for which consolidated financial statements are prepared. Copies of these financial statements can be obtained from 22, avenue Montaigne, 75008, Paris, France.