

REGISTERED NUMBER: 05790471 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
FOR
GALLERY DIRECT HOLDINGS LIMITED**



Sargeant Partnership
Chartered Accountants
and Statutory Auditors
5 White Oak Square
London Road
Swanley
Kent
BR8 7AG

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FOR THE YEAR ENDED 31 DECEMBER 2016**

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GALLERY DIRECT HOLDINGS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2016**

DIRECTORS:

J Schimmel
M Maslo

REGISTERED OFFICE:

C/o Gallery Direct Ltd
Castle Road
Eurolink Commercial Park
Sittingbourne
Kent
ME10 3RN

REGISTERED NUMBER:

05790471 (England and Wales)

AUDITORS:

Sargeant Partnership
Chartered Accountants
and Statutory Auditors
5 White Oak Square
London Road
Swanley
Kent
BR8 7AG

GALLERY DIRECT HOLDINGS LIMITED (REGISTERED NUMBER: 05790471)

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their strategic report for the year ended 31 December 2016.

REVIEW OF BUSINESS

The company is a non-trading company whose immediate parent company is Gallery Direct 2013 Limited.

The company owns the whole of the share capital in Gallery Direct Limited and in Dreamworks Beds Limited which it purchased 11 September 2015.

On 19 January 2016 the company acquired the whole share capital of Gallery Direct (Australia) Pty Limited.

PRINCIPAL RISKS AND UNCERTAINTIES

As the company does not trade there are no relevant risks or uncertainties.

RESULTS AND PERFORMANCE

The company had no trading income during the year but was subject to audit fees and a profit and loss account setting out the results for the year is on page 7.

The shareholders' funds of the company total £922k (2015: £915k). It was decided not to vote a dividend to the ultimate parent company during the period.

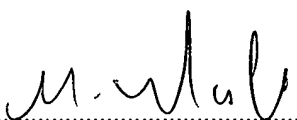
On 19 January Gallery Direct Holdings Limited acquired the whole of the issued share capital of Gallery Direct (Australia) Pty Limited, which will trade in its own right as a sister company to Gallery Direct Limited and Dreamworks Beds Limited.

STRATEGY

The company will continue to hold investments in companies.

There are currently no plans to trade within the company.

ON BEHALF OF THE BOARD:


.....

M Maslo - Director

Date: 27/09/2017

GALLERY DIRECT HOLDINGS LIMITED (REGISTERED NUMBER: 05790471)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report with the financial statements of the company for the year ended 31 December 2016.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2016.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2016 to the date of this report.

J Schimmel
M Maslo

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

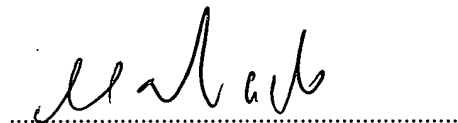
GALLERY DIRECT HOLDINGS LIMITED (REGISTERED NUMBER: 05790471)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016**

AUDITORS

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

ON BEHALF OF THE BOARD:



M Maslo - Director

Date: 27/1/17

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GALLERY DIRECT HOLDINGS LIMITED

We have audited the financial statements of Gallery Direct Holdings Limited for the year ended 31 December 2016 on pages seven to sixteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 a Report of the Auditors 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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Strategic Report or the Report of the Directors.


REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GALLERY DIRECT HOLDINGS LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Gary Sargeant (Senior Statutory Auditor)
for and on behalf of Sargeant Partnership
Chartered Accountants
and Statutory Auditors
5 White Oak Square
London Road
Swanley
Kent
BR8 7AG



Date: 28.9.12

GALLERY DIRECT HOLDINGS LIMITED (REGISTERED NUMBER: 05790471)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 £	2015 £
TURNOVER		-	-
Administrative expenses		<u>(7,052)</u>	<u>1,500</u>
OPERATING PROFIT/(LOSS) and PROFIT/(LOSS) BEFORE TAXATION	4	7,052	(1,500)
Tax on profit/(loss)	5	<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		7,052	(1,500)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>7,052</u></u>	<u><u>(1,500)</u></u>

The notes form part of these financial statements

GALLERY DIRECT HOLDINGS LIMITED (REGISTERED NUMBER: 05790471)

**BALANCE SHEET
31 DECEMBER 2016**

	Notes	2016 £	2015 £
FIXED ASSETS			
Investments	7	1,931,256	1,581,198
CURRENT ASSETS			
Debtors	8	426,968	630,977
NET CURRENT ASSETS		426,968	630,977
TOTAL ASSETS LESS CURRENT LIABILITIES		2,358,224	2,212,175
CREDITORS			
Amounts falling due after more than one year	9	1,435,982	1,296,985
NET ASSETS		922,242	915,190
CAPITAL AND RESERVES			
Called up share capital	11	100,000	100,000
Share premium	12	733,886	733,886
Retained earnings	12	88,356	81,304
SHAREHOLDERS' FUNDS		922,242	915,190

The financial statements were approved by the Board of Directors on 27/09/2017 and were signed on its behalf by:


.....
M Maslo - Director

The notes form part of these financial statements

GALLERY DIRECT HOLDINGS LIMITED (REGISTERED NUMBER: 05790471)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2015	100,000	180,449	733,886	1,014,335
Changes in equity				
Dividends	-	(97,645)	-	(97,645)
Total comprehensive income	-	(1,500)	-	(1,500)
Balance at 31 December 2015	<u>100,000</u>	<u>81,304</u>	<u>733,886</u>	<u>915,190</u>
Changes in equity				
Total comprehensive income	-	7,052	-	7,052
Balance at 31 December 2016	<u><u>100,000</u></u>	<u><u>88,356</u></u>	<u><u>733,886</u></u>	<u><u>922,242</u></u>

The notes form part of these financial statements

GALLERY DIRECT HOLDINGS LIMITED (REGISTERED NUMBER: 05790471)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	350,058	664,508
Net cash from operating activities		<u>350,058</u>	<u>664,508</u>
Cash flows from investing activities			
Purchase of fixed asset investments		<u>(350,058)</u>	<u>(566,863)</u>
Net cash from investing activities		<u>(350,058)</u>	<u>(566,863)</u>
Cash flows from financing activities			
Equity dividends paid		<u>-</u>	<u>(97,645)</u>
Net cash from financing activities		<u>-</u>	<u>(97,645)</u>
Increase in cash and cash equivalents		<u>-</u>	<u>-</u>
Cash and cash equivalents at beginning of year		<u>-</u>	<u>-</u>
Cash and cash equivalents at end of year		<u><u>-</u></u>	<u><u>-</u></u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016	2015
	£	£
Profit/(loss) before taxation	7,052	(1,500)
Decrease/(increase) in trade and other debtors	204,009	(630,977)
Increase in trade and other creditors	138,997	1,296,985
	<hr/>	<hr/>
Cash generated from operations	350,058	664,508
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. STATUTORY INFORMATION

Gallery Direct Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Preparation of consolidated financial statements

The financial statements contain information about Gallery Direct Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Gallery Direct 2013, .

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

3. EMPLOYEES AND DIRECTORS

There were no staff costs for the year ended 31 December 2016 nor for the year ended 31 December 2015.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016**

3. EMPLOYEES AND DIRECTORS - continued

	2016	2015
	£	£
Directors' remuneration	-	-

4. OPERATING PROFIT/(LOSS)

The operating profit (2015 - operating loss) is stated after charging/(crediting):

	2016	2015
	£	£
Auditors' remuneration	1,500	1,500
Foreign exchange differences	(8,552)	-

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 December 2016 nor for the year ended 31 December 2015.

6. DIVIDENDS

	2016	2015
	£	£
Interim	-	97,645

7. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2016	1,581,198
Additions	350,058
At 31 December 2016	1,931,256
NET BOOK VALUE	
At 31 December 2016	1,931,256
At 31 December 2015	1,581,198

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. FIXED ASSET INVESTMENTS - continued

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Gallery Direct Limited

Registered office:

Nature of business: Design led sales and marketing

	% holding	2016 £	2015 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		1,927,505	1,939,667
(Loss)/profit for the year		(12,162)	158,339

Frank Hudson Limited *

Registered office:

Nature of business: Furniture company

	% holding	2016 £	2015 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		(153,317)	(151,240)
Loss for the year		(2,077)	-

* The share capital is held indirectly through the company's subsidiary undertaking.

Dreamworks Beds Limited

Registered office:

Nature of business: Manufacture of Mattresses

	% holding	2016 £	2015 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		75,561	83,518
(Loss)/profit for the year		(7,957)	111,551

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. FIXED ASSET INVESTMENTS - continued

Gallery Direct (Australia) Pty Limited

Registered office:

Nature of business: Design led sales and marketing

Class of shares:	%
ordinary	holding 100.00

	2016
	£
Aggregate capital and reserves	(318,222)
Loss for the year	(308,663)

The Investment additions during the year relate to additional consideration of £350,000 paid during the period in respect of the purchase of 100% of the Share Capital of Dreamworks Beds Limited and £58 paid in respect of the purchase of 100% of the Share Capital of Gallery Direct (Australia) Pty Limited which occurred on 19th January 2016.

8. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Amounts owed by group undertakings	426,968	630,977

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Amounts owed to group undertakings	238,142	99,145
Amounts owed to associates	1,197,840	1,197,840
	1,435,982	1,296,985

10. SECURED DEBTS

Both National Westminster Bank Plc and RBS Invoice Finance Limited hold fixed and floating charges over all of the assets of the company.

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016	2015
			£	£
100,000	Ordinary	£1	100,000	100,000

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016**

12. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 January 2016	81,304	733,886	815,190
Profit for the year	7,052		7,052
At 31 December 2016	<u>88,356</u>	<u>733,886</u>	<u>822,242</u>

13. ULTIMATE PARENT COMPANY

The Ultimate parent company is Gallery Direct 2013 Limited.

14. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

M Maslo a director of Gallery Direct Holdings Limited is also a director of a company called The National Lighting Company Limited, a company incorporated in England and Wales.

At the balance sheet date Gallery Direct Holdings Limited owed the National Lighting Company Limited £1,052,901 (2015:£1,052,901).

I Weiler a director of Gallery Direct 2013 Limited, the ultimate parent company is also a director of a company called Oakriver Limited, a company incorporated in England and Wales.

At the balance sheet date Gallery Direct Holdings Limited owed Oakriver Limited £144,939 (2015: £144,939).