

REGISTERED NUMBER: 05790471 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017
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 2017**

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GALLERY DIRECT HOLDINGS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017**

DIRECTORS:

J Schimmel
M Maslo
M Last

SECRETARY:

Miss N Atkinson

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

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their strategic report for the year ended 31 December 2017.

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.

The company also owns the whole share capital of Gallery Direct (Australia) Pty.

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 £916k (2016: £922k). It was decided not to vote a dividend to the ultimate parent company during the period.

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

26 September 2018

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2017.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

J Schimmel
M Maslo

Other changes in directors holding office are as follows:

M Last - appointed 19 December 2017

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 2017**

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

26 September 2018

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

Opinion

We have audited the financial statements of Gallery Direct Holdings Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, 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 December 2017 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 Auditors' 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 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

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

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 Report of the Directors.

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.

Responsibilities of directors

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, and for such internal control as the directors determine 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.

Auditors' 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 a Report of the Auditors 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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

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 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.

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

26 September 2018

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £	2016 £
TURNOVER		-	-
Administrative expenses		<u>6,327</u>	<u>(7,052)</u>
OPERATING (LOSS)/PROFIT and (LOSS)/PROFIT BEFORE TAXATION		(6,327)	7,052
Tax on (loss)/profit	5	<u>-</u>	<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(6,327)	7,052
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(6,327)</u>	<u>7,052</u>

The notes form part of these financial statements

GALLERY DIRECT HOLDINGS LIMITED (REGISTERED NUMBER: 05790471)**BALANCE SHEET
31 DECEMBER 2017**

	Notes	2017 £	£	2016 £	£
FIXED ASSETS					
Investments	6		1,931,256		1,931,256
CURRENT ASSETS					
Debtors	7	<u>426,968</u>		<u>426,968</u>	
NET CURRENT ASSETS			<u>426,968</u>		<u>426,968</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,358,224		2,358,224
CREDITORS					
Amounts falling due after more than one year	8		<u>1,442,309</u>		<u>1,435,982</u>
NET ASSETS			<u>915,915</u>		<u>922,242</u>
CAPITAL AND RESERVES					
Called up share capital	10		100,000		100,000
Share premium	11		733,886		733,886
Retained earnings	11		<u>82,029</u>		<u>88,356</u>
SHAREHOLDERS' FUNDS			<u>915,915</u>		<u>922,242</u>

The financial statements were approved by the Board of Directors on 26 September 2018 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 2017**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2016	100,000	81,304	733,886	915,190
Changes in equity				
Total comprehensive income	-	7,052	-	7,052
Balance at 31 December 2016	100,000	88,356	733,886	922,242
Changes in equity				
Total comprehensive income	-	(6,327)	-	(6,327)
Balance at 31 December 2017	100,000	82,029	733,886	915,915

The notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(6,327)</u>	<u>350,058</u>
Net cash from operating activities		<u>(6,327)</u>	<u>350,058</u>
Cash flows from investing activities			
Purchase of fixed asset investments		<u>-</u>	<u>(350,058)</u>
Net cash from investing activities		<u>-</u>	<u>(350,058)</u>
Cash flows from financing activities			
New loans in year		<u>6,327</u>	<u>-</u>
Net cash from financing activities		<u>6,327</u>	<u>-</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 2017**

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

	2017	2016
	£	£
(Loss)/profit before taxation	(6,327)	7,052
Decrease in trade and other debtors	-	204,009
Increase in trade and other creditors	-	138,997
Cash generated from operations	<u>(6,327)</u>	<u>350,058</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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 Limited., .

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 2017 nor for the year ended 31 December 2016.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

3. EMPLOYEES AND DIRECTORS - continued

	2017	2016
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

4. OPERATING (LOSS)/PROFIT

The operating loss (2016 - operating profit) is stated after charging/(crediting):

	2017	2016
	£	£
Auditors' remuneration	1,500	1,500
Foreign exchange differences	<u>4,827</u>	<u>(8,552)</u>

5. TAXATION

Analysis of the tax charge

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

6. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2017	
and 31 December 2017	<u>1,931,256</u>
NET BOOK VALUE	
At 31 December 2017	<u>1,931,256</u>
At 31 December 2016	<u>1,931,256</u>

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	2017	2016
		£	£
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		2,419,315	1,927,505
Profit/(loss) for the year		<u>491,810</u>	<u>(12,162)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

6. FIXED ASSET INVESTMENTS - continued

Frank Hudson Limited *

Registered office:

Nature of business: Furniture company

	% holding	2017 £	2016 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		(153,317)	(153,317)
Loss for the year		<u>-</u>	<u>(2,077)</u>

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

Dreamworks Beds Limited

Registered office:

Nature of business: Manufacture of Mattresses

	% holding	2017 £	2016 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		(403,489)	75,561
Loss for the year		<u>(479,050)</u>	<u>(7,957)</u>

Gallery Direct (Australia) Pty Limited

Registered office:

Nature of business: Design led sales and marketing

	% holding	2017 £	2016 £
Class of shares:			
ordinary	100.00		
Aggregate capital and reserves		(748,312)	(318,222)
Loss for the year		<u>(433,476)</u>	<u>(308,663)</u>

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

	2017 £	2016 £
Amounts owed by group undertakings	<u>426,968</u>	<u>426,968</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

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

	2017	2016
	£	£
Amounts owed to group undertakings	244,469	238,142
Amounts owed to associates	<u>1,197,840</u>	<u>1,197,840</u>
	<u>1,442,309</u>	<u>1,435,982</u>

9. 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.

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017	2016
			£	£
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

11. RESERVES

	Retained earnings	Share premium	Totals
	£	£	£
At 1 January 2017	88,356	733,886	822,242
Deficit for the year	<u>(6,327)</u>		<u>(6,327)</u>
At 31 December 2017	<u>82,029</u>	<u>733,886</u>	<u>815,915</u>

12. ULTIMATE PARENT COMPANY

The Ultimate parent company is Gallery Direct 2013 Limited.

13. 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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

13. RELATED PARTY DISCLOSURES - continued

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 (2016:£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 (2016: £144,939).

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.