

REGISTERED NUMBER: 03505581 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**  
**FOR**  
**FOLLI FOLLIE (UK) LIMITED**



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**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**FOLLI FOLLIE (UK) LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**DIRECTORS:**

D Koutsolioutsos  
J Armstrong

**SECRETARY:**

Mrs E Armstrong

**REGISTERED OFFICE:**

Mountview Court  
1148 High Road  
Whetstone  
London  
N20 0RA

**REGISTERED NUMBER:**

03505581 (England and Wales)

**AUDITORS:**

Chris Skarparis & Co Ltd  
Chartered Accountants and  
Statutory Auditors  
2nd Floor  
10(b) Aldermans Hill  
Palmers Green  
London  
N13 4PJ

**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**

Folli Follie (UK) Limited is in the jewellery and accessories business and receives its income from the licensing of its retail operations and some wholesale. The company is a subsidiary of "FOLLI-FOLLIE COMMERCIAL MANUFACTURING AND TECHNICAL SOCIETE ANONYME" T/A "FOLLI FOLLIE GROUP", a multinational company listed on the Athens Stock Exchange

**KEY PERFORMANCE INDICATORS**

The main key performance indicators during the year were:

Total Assets decreased to £3,429,136 (2016: £3,732,806 ) reflecting a reduction of 8.14% from last financial year.

Net Assets decreased to £3,324,510 (2016: £3,632,341) reflecting a reduction of 8.47% or £307,831.

Liquidity ratio calculated as the ratio of current assets to current liability decreased to 3070.69% compared to 3336.63% in 2016.

Turnover during the year remain same as last year.

Net Loss ratio calculated as net loss to sale decreased to 46.03% in 2016 compared to 49.35% in 2015.

**Significant Risks:**

The key risk faced by the company is volatility of the fashion industry. This risk is managed by way of keeping cash reserves to cover down turns in sales.

**PRINCIPAL RISKS AND UNCERTAINTIES**

**Credit risk:**

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligation, and arises principally from the Company's receivables from customer and cash balances. The company had £470,696 (2016: £470,696) trade receivables from a customer for which the parent company has provided the guarantee. Therefore there is no significant credit risk on trade receivables.

**Market risk - Foreign currency risk:**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments. The company does not have significant exposure to market risk within its balance sheet. Items of expenses incurred in foreign currency are translated at the rate prevalent on the date of the transaction and charged to the profit and loss account.

**Liquidity risk:**

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's objective for managing its liquidity is to have enough cash reserves in order to meet its financial obligations as they fall due. For this purpose the company maintained a bank account balance of over £179,291 (2016: £267,132)

**CAPITAL MANAGEMENT**

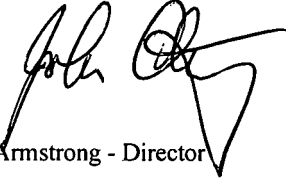
During the year the company was not exposed to any imposed capital requirements. The parent company has indicated that it will continue its financial support.

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

**FAIR VALUE OF FINANCIAL INSTRUMENTS**

The fair value of financial instruments within the balance sheet is equal to the carrying value.

**ON BEHALF OF THE BOARD:**



J Armstrong - Director

5 March 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.

**FUTURE DEVELOPMENTS**

The directors are of the opinion that, based on a group strategy, there is the possibility that the company will expand its business activities in the UK and Far East which might result in future profits.

**DIRECTORS**

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

The directors shown below were in office at 31 December 2017 but did not hold any interest in the Ordinary shares of £1 each at 1 January 2017 or 31 December 2017.

D Koutsolioutsos  
J Armstrong

**FINANCIAL INSTRUMENTS**

The company does not use derivatives.

**POLITICAL AND CHARITABLE CONTRIBUTION**

The company made no political or incurred any political expenditure or charitable donations during the year.

**EMPLOYEES**

Folli Follie (UK) Limited is an equal rights employer. The company values the contribution of all its employees and keep them informed of matters affecting them.

**COMPANY'S POLICY ON PAYMENT OF CREDITORS**

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payments with the suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the payments by inclusion of the relevant terms in contracts; and
- pay in accordance with company's contractual and other legal obligations.

**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 International Financial Reporting Standards as adopted by the European Union. 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;
- state that the financial statements comply with IFRS;
- 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.

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

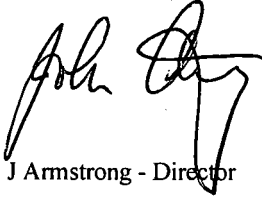
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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.

**AUDITORS**

The auditors, Chris Skarparis & Co Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to read 'J Armstrong', is written over a horizontal line.

J Armstrong - Director

5 March 2018

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
FOLLI FOLLIE (UK) LIMITED**

**Opinion**

We have audited the financial statements of Folli Follie (UK) Limited (the 'company') for the year ended 31 December 2017 on pages eight to eighteen. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

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 IFRSs as adopted by the European Union; 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.

**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.



**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**FOLLI FOLLIE (UK) LIMITED**

**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 four, 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.

**Our 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.



Christakis Skarparis BSc FCA (Senior Statutory Auditor)

for and on behalf of Chris Skarparis & Co Ltd

Chartered Accountants and

Statutory Auditors

2nd Floor

10(b) Aldermans Hill

Palmers Green

London

N13 4PJ

5 March 2018

**FOLLI FOLLIE (UK) LIMITED (REGISTERED NUMBER: 03505581)**

**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	31.12.17 £	31.12.16 £
<b>CONTINUING OPERATIONS</b>			
Revenue	3	350,618	350,352
Cost of sales		<u>(671)</u>	<u>6,739</u>
<b>GROSS PROFIT</b>		349,947	357,091
Administrative expenses		<u>(517,010)</u>	<u>(518,376)</u>
<b>OPERATING LOSS</b>		(167,063)	(161,285)
Finance income	5	<u>1</u>	<u>4</u>
<b>LOSS BEFORE INCOME TAX</b>	6	(167,062)	(161,281)
Income tax	7	<u>(140,769)</u>	<u>(1,513)</u>
<b>LOSS FOR THE YEAR</b>		<u><u>(307,831)</u></u>	<u><u>(162,794)</u></u>

The notes form part of these financial statements

**FOLLI FOLLIE (UK) LIMITED (REGISTERED NUMBER: 03505581)**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**


	31.12.17 £	31.12.16 £
LOSS FOR THE YEAR	(307,831)	(162,794)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(307,831)</u>	<u>(162,794)</u>

The notes form part of these financial statements

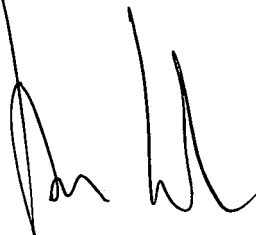
**STATEMENT OF FINANCIAL POSITION**  
**31 DECEMBER 2017**

	Notes	31.12.17 £	31.12.16 £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	216,394	239,890
Deferred tax	16	-	140,769
		<u>216,394</u>	<u>380,659</u>
<b>CURRENT ASSETS</b>			
Inventories	9	24,347	25,018
Trade and other receivables	10	3,009,104	3,059,997
Cash and cash equivalents	11	179,291	267,132
		<u>3,212,742</u>	<u>3,352,147</u>
<b>TOTAL ASSETS</b>		<u><u>3,429,136</u></u>	<u><u>3,732,806</u></u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	12	2,062,502	2,062,502
Retained earnings	13	1,262,008	1,569,839
<b>TOTAL EQUITY</b>		<u>3,324,510</u>	<u>3,632,341</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	104,626	100,465
<b>TOTAL LIABILITIES</b>		<u>104,626</u>	<u>100,465</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>3,429,136</u></u>	<u><u>3,732,806</u></u>

The financial statements were approved by the Board of Directors on 5 March 2018 and were signed on its behalf by:

  
J Armstrong - Director

D Koutsolioutsos - Director



The notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2016</b>	2,062,502	1,732,633	3,795,135
<b>Changes in equity</b>			
Total comprehensive income	-	(162,794)	(162,794)
<b>Balance at 31 December 2016</b>	<u>2,062,502</u>	<u>1,569,839</u>	<u>3,632,341</u>
<b>Changes in equity</b>			
Total comprehensive income	-	(307,831)	(307,831)
<b>Balance at 31 December 2017</b>	<u><u>2,062,502</u></u>	<u><u>1,262,008</u></u>	<u><u>3,324,510</u></u>

The notes form part of these financial statements

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

		31.12.17 £	31.12.16 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>(87,842)</u>	<u>(44,492)</u>
Net cash from operating activities		<u>(87,842)</u>	<u>(44,492)</u>
 <b>Cash flows from investing activities</b>			
Interest received		<u>1</u>	<u>4</u>
Net cash from investing activities		<u>1</u>	<u>4</u>
 <b>Decrease in cash and cash equivalents</b>			
<b>Cash and cash equivalents at beginning of year</b>	2	<u>267,132</u>	<u>311,620</u>
 <b>Cash and cash equivalents at end of year</b>	2	<u><u>179,291</u></u>	<u><u>267,132</u></u>

The notes form part of these financial statements

**NOTES TO THE STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	31.12.17	31.12.16
	£	£
Loss before income tax	(167,062)	(161,281)
Depreciation charges	23,496	23,496
Finance income	(1)	(4)
	<u>(143,567)</u>	<u>(137,789)</u>
Decrease/(increase) in inventories	671	(6,739)
Decrease/(increase) in trade and other receivables	893	(483)
Increase in trade and other payables	54,161	100,519
	<u>(87,842)</u>	<u>(44,492)</u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 31 December 2017**

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	<u>179,291</u>	<u>267,132</u>

**Year ended 31 December 2016**

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	<u>267,132</u>	<u>311,620</u>

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

**1. STATUTORY INFORMATION**

Folli Follie (UK) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number is 03505581 and registered office address is Mountview Court, 1148 High Road, Whetstone, London, N20 0RA.

**2. ACCOUNTING POLICIES**

**Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

**Revenue recognition**

Revenue represents net invoiced sales of goods and services, excluding value added tax, except in respect of service contracts where turnover is recognised when the company obtains the right to consideration.

**Property, plant and equipment**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- written off over the life of the lease
Improvements to property	- written off over the life of the lease

**Inventories**

Inventories are valued at the lower of actual cost and net realisable value or scrap value of silver.

**Taxation**

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

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

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease.

**3. SEGMENTAL REPORTING**

Revenue is analysed as follows:

	31.12.17 £	31.12.16 £
Segmented markets		
Wholesale income from UK	Nil	Nil
Licensing income from UK shops	350,618	350,352
	<u>350,618</u>	<u>350,352</u>



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

**4. EMPLOYEES AND DIRECTORS**

	31.12.17	31.12.16
	£	£
Wages and salaries	168,000	168,000
Social security costs	17,932	17,946
	<u>185,932</u>	<u>185,946</u>

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

	31.12.17	31.12.16
Office and administration	<u>2</u>	<u>2</u>

	31.12.17	31.12.16
	£	£
Directors' remuneration	<u>84,000</u>	<u>84,000</u>

**5. NET FINANCE INCOME**

	31.12.17	31.12.16
	£	£
Finance income:		
Deposit account interest	<u>1</u>	<u>4</u>

**6. LOSS BEFORE INCOME TAX**

The loss before income tax is stated after charging/(crediting):

	31.12.17	31.12.16
	£	£
Cost of inventories recognised as expense	671	(6,739)
Other operating leases	274,152	273,858
Depreciation - owned assets	23,496	23,496
Auditors' remuneration - audit services	6,500	6,500
Auditors' remuneration for non audit work	<u>750</u>	<u>750</u>

**7. INCOME TAX**

**Analysis of tax expense**

	31.12.17	31.12.16
	£	£
Deferred tax	<u>140,769</u>	<u>1,513</u>
Total tax expense in statement of profit or loss	<u>140,769</u>	<u>1,513</u>

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

**7. INCOME TAX - continued**

**Factors affecting the tax expense**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.17 £	31.12.16 £
Loss before income tax	<u>(167,062)</u>	<u>(161,281)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2016 - 20%)	(31,742)	(32,256)
Effects of:		
Deferred tax credit	140,769	1,513
Accelerated capital allowances	1,989	2,145
Deductions of lease premiums assets	(1,031)	(1,085)
corporation tax rate		
Losses carried forward previous year	30,784	31,196
Tax expense	<u>140,769</u>	<u>1,513</u>

**8. PROPERTY, PLANT AND EQUIPMENT**

	Short leasehold £	Improvements to property £	Totals £
<b>COST</b>			
At 1 January 2017 and 31 December 2017	<u>242,699</u>	<u>215,860</u>	<u>458,559</u>
<b>DEPRECIATION</b>			
At 1 January 2017	118,287	100,382	218,669
Charge for year	<u>12,132</u>	<u>11,364</u>	<u>23,496</u>
At 31 December 2017	<u>130,419</u>	<u>111,746</u>	<u>242,165</u>
<b>NET BOOK VALUE</b>			
At 31 December 2017	<u>112,280</u>	<u>104,114</u>	<u>216,394</u>
At 31 December 2016	<u>124,412</u>	<u>115,478</u>	<u>239,890</u>

**9. INVENTORIES**

	31.12.17 £	31.12.16 £
Goods for resale	<u>24,347</u>	<u>25,018</u>

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

**10. TRADE AND OTHER RECEIVABLES**

	31.12.17	31.12.16
	£	£
Current:		
Trade debtors	470,696	470,696
Amounts owed by group undertakings	2,471,661	2,521,661
Prepayments	66,747	67,640
	<u>3,009,104</u>	<u>3,059,997</u>

**11. CASH AND CASH EQUIVALENTS**

	31.12.17	31.12.16
	£	£
Bank deposit account	8,545	8,544
Bank accounts	170,746	258,588
	<u>179,291</u>	<u>267,132</u>

**12. CALLED UP SHARE CAPITAL**

Allotted and issued: Number:      Class: 2,062,502      Ordinary	Nominal value: £1	31.12.17 £ 2,062,502	31.12.16 £ 2,062,502
		<u>2,062,502</u>	<u>2,062,502</u>

**13. RESERVES**

	Retained earnings £
At 1 January 2017	1,569,839
Deficit for the year	(307,831)
At 31 December 2017	<u>1,262,008</u>

**14. TRADE AND OTHER PAYABLES**

	31.12.17	31.12.16
	£	£
Current:		
Trade creditors	6,650	2,361
Social security and other taxes	6,174	6,243
License fee received in advance	81,826	81,429
Accrued expenses	6,701	7,033
VAT	3,275	3,399
	<u>104,626</u>	<u>100,465</u>

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

**15. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.17	31.12.16
	£	£
In more than five years	272,500	272,500

**16. DEFERRED TAX**

	31.12.17	31.12.16
	£	£
Balance at 1 January	(140,769)	(142,282)
Current year provision	140,769	1,513
Balance at 31 December	-	(140,769)

As per Accounting standard (IAS12) the company has reversed the deferred tax asset recognition. The company is not likely to make enough profits to use all the accumulated tax losses in the near future.

**17. ULTIMATE PARENT COMPANY**

The ultimate parent and controlling company is "FOLLI-FOLLIE COMMERCIAL MANUFACTURING AND TECHNICAL SOCIETE ANONYME" T/A "FOLLI FOLLIE GROUP". The Company is incorporated in Greece and listed on the Athens Stock Exchange.

The principal place of business is 23rd km of Athens Lamia National Highway 14565, AG.Stefanos, Attica.

**18. RELATED PARTY DISCLOSURES**

At the balance sheet date the amount due from FF Group Sourcing Ltd, included in trade and other receivables, was £2,198,137 (2016: £2,198,137). Folli Follie Group has guaranteed the recoverability of this balance.

Also included in trade and other receivables, was £277,347 (2016: £327,347) due from Links of (London) Ltd, a group company. During the year Folli Follie (UK) Ltd received income of £350,618 (2016: £350,352) from the licensing of its retail operations to Links (London) Ltd. The licensing fee was agreed on normal commercial terms and was negotiated at arm's length.

The Folli Follie Group has also guaranteed the recoverability of a trade debtor of £470,695 (2016: £470,695).

At the balance sheet date £81,826 (2016: £81,429 ) included in trade and other payables relate to license fees received in advanced from Links (London) Ltd.

Also included in trade and other payables was £3,823 (2016: £3,823) due to Folli Follie Group.