

Atallah Group Limited

Annual report and financial statements
December 31, 2021



(Registered number: 08993514)

Directors' report For the year ended 31 December 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Principal activities and future developments

The Company provides services to the online retailer brand SSENSE and other online and fashion sector brands for the UK and wider European markets.

Directors

The directors, who served throughout the year and to the date of this report were as follows:

B. Atallah
R. Atallah
F. Atallah

Directors' Indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its directors, which were made during the year and remain in force at the date of this report.

Disclosure of information to the Auditor

The directors at the time when this Director's Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.


Small Companies Note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Auditor

In accordance with Section 516 of the Companies Act 2006, CLA Evelyn Partners Limited have given formal notice of their intention to resign as auditors to the company. Appropriate arrangements have been put in place for a new auditor to be appointed in the absence of an Annual General Meeting.

This report was approved by the Board and signed on its behalf by:


Firas Atallah (Mar 22, 2023 11:38 EDT)

F Atallah
Director

Date: **Mar 22, 2023**

Directors' responsibilities statement

For the year ended 31 December 2021

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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATALLAH GROUP LIMITED

Opinion

We have audited the financial statements of Atallah Group Limited (the 'company') for the period ended 31 December 2021 which comprise Statement of Income and Retained Earnings, Balance Sheet and the 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 FRS 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 2021 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.

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 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and financial statements. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

We have nothing to report in respect of the following matters in relation to which 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;
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained an understanding of the Company's legal and regulatory framework through enquiry of management of their understanding of the relevant laws and regulations, the company's policies and procedures regarding compliance and how they identify, evaluate and rectify any instances of non-compliance. We also drew on our existing understanding of the Company's industry and regulation.

We understand the Company complies with requirements of the framework through:

- The Directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly; and
- The engagement of external experts to ensure ongoing tax compliance and to assist with the preparation of the statutory accounts.

In the context of the audit, we have considered those laws and regulations which determine the form and content of the financial statements which are central to the company's ability to conduct business and where failure to comply could result in material penalties.

The procedures carried out to gain evidence in the above areas included:

- Making enquiries of management and reviewing available board meeting minutes; and
- Obtaining written management representations that they disclosed to us all known instances of non-compliance or suspected non-compliance with laws and regulations and accounted for and disclosed all known actual or possible litigation and claims in the financial statements.

We have identified the following laws and regulations as being of significance in the context of the Company:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to the manipulation of the financial statements through manual journals and incorrect recognition of revenue. This was communicated to the other members of the engagement team who were not present at the discussion.

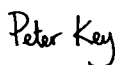
The procedures carried out to gain evidence in the above areas included:

- Testing a sample of expense transactions to underlying documentation to ensure the completeness of the expense population;
- Recalculation of the total revenue charge for the year;
- Testing of manual journal entries selected based on specific risk assessments applied based on the client processes and controls surrounding manual journals.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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.



Peter Key (Senior Statutory Auditor)

for and on behalf of
CLA Evelyn Partners Limited

103 Colmore Row,
Birmingham,
B3 3AG

Date: **23/03/2023**

Atallah Group Limited (Registered number: 08993514)

Statement of Income and Retained Earnings
for the 12 months ended 31 December 2021

	31 December 2021	<i>As restated</i> 31 December 2020
	£	£
Revenue	588,224	873,585
Cost of sales	(387,107)	(853,565)
Gross profit	201,117	20,020
Administrative expenses	(172,848)	(31,525)
Foreign exchange (loss)/gain	(22,842)	108,770
Interest expenses	(258)	-
Gain on sale of asset	-	1
Profit before taxation	5,169	97,266
Tax on profit	(1,758)	(23,779)
Profit for the financial year	3,411	73,487
Retained earnings at the beginning of the year	(103,553)	(177,040)
Retained earnings at the end of the year	(100,142)	(103,553)


Atallah Group Limited (Registered number: 08993514)

Balance Sheet
As at 31 December 2021

	Note	31 December 2021 £	As restated 31 December 2020 £
Fixed assets			
Investments	7	-	-
Current assets			
Debtors	8	107,217	520,593
Cash at bank and in hand		195,935	496,346
		<u>303,152</u>	<u>1,016,939</u>
Creditors: Amounts falling due within one year	9	<u>(403,293)</u>	<u>(1,120,491)</u>
Net current liabilities		<u>(100,141)</u>	<u>(103,552)</u>
Net liabilities		<u>(100,141)</u>	<u>(103,552)</u>
Capital and reserves			
Called up share capital		1	1
Retained earnings		(100,142)	(103,553)
Shareholder funds		<u>(100,141)</u>	<u>(103,552)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


Firas Atallah (Mar 22, 2023 13:40 EDT)

F Atallah
Director

Date: Mar 22, 2023

The notes on pages 8 to 14 form part of these financial statements.

Atallah Group Limited

Notes to financial statements

For the year ended 31 December 2021

1. General information

Atallah Group Limited (the "Company") is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is Berkeley Square House, Berkeley Square, London, England, W1J 6BD and company number is 08993514.

2. Accounting policies

(a) Basis of preparation of financial statements

The financial statements have been prepared in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

(b) Going concern

The Company continues to rely entirely on Atallah International Inc, its ultimate parent company, for financial support. The Company operates under a cost-plus arrangement with its immediate parent and is therefore reliant on the parent company to generate income. To support the going concern assumption, the directors have obtained a parent company letter of financial support which confirms the parent company's intention to continue providing unconditional liquidity support, for a period no less than 12 months from the date of approval of the financial statements.

Whilst currently there is no indication that assistance from the parent company would be withdrawn, in practical terms the Company cannot obligate the parent company to continue to provide this support should the parent company so desire to remove it.

The directors of the company have also reviewed the financial status of the parent and its relevant forecasts and therefore they are able to assess that the parent is able to provide all necessary financial support to the Company for at least 12 months from the date of approval of the accounts. Based on the above the directors believe that it is appropriate to consider the Company a going concern being a period of at least 12 months from the date of approval of the audit report.

(c) Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

Atallah Group Limited

Notes to financial statements

For the year ended 31 December 2021

Financial assets and liabilities are offset, and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(d) Associates

In the Company's financial statements, investments in associates are accounted for at cost less related impairment.

(e) Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

(f) Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

(g) Revenue

Revenue represents fees, exclusive of Value Added Tax, for supporting its parent company's activities. Revenue is calculated using an agreed mark-up on certain underlying administrative costs that are incurred during the financial period.

Atallah Group Limited
Notes to financial statements

For the year ended 31 December 2021

(h) Foreign currency

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Nonmonetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings.

Atallah Group Limited
Notes to financial statements
For the year ended 31 December 2021

(i) Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivables are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

(j) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

(k) Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

(l) Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, considering relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

(m) Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

3. Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

4. Employees

The average monthly number of employees, including the directors, during the year was 2 (2020 – nil).

Atallah Group Limited
Notes to financial statements
For the year ended 31 December 2021

5. Profit before taxation

Profit before taxation is stated after charging:

	31 December 2021 £	31 December 2020 £
Foreign exchange loss/(gain)	(22,842)	108,770
Fees payable to the Company's auditor for:		
the audit of the Company's accounts	8,850	6,600
the preparation of Company's accounts	1,650	1,250

The directors were compensated for their services to the Company through a related party. No expense related to remuneration of the directors was recharged to the Company in either year.

6. Tax on profit

The tax charge comprises:

	31 December 2021 £	31 December 2020 £
Current tax on profit		
UK corporation tax	1,758	23,799
Total tax on profit	1,758	23,799

7. Fixed asset investments

	31 December 2021 £	31 December 2020 £
Investment	-	1
Disposal	-	(1)
Total	-	-

Atallah Group Limited
Notes to financial statements
For the year ended 31 December 2021

7. Fixed Asset Investments (Continued)

On June 29, 2020, the Company sold its investment to a commonly controlled company for its fair market value of £1.75 in exchange for a non-interest-bearing demand promissory note.

8. Debtors

	31 December 2021 £	31 December 2020 £
Amounts falling due within one year		
Accounts receivable	104,849	518,557
Note Receivable	2	2
Prepayments & Other Debtors	2,366	2,034
	107,217	520,593

9. Creditors – amounts falling due within one year

	31 December 2021 £	31 December 2020 £
Trade creditors	33,726	5,045
Accruals & Other Creditors	86,530	114,100
Taxation	28,055	26,296
Intercompany creditors	254,982	975,050
	403,293	1,120,491

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Atallah Group Limited

Notes to financial statements

For the year ended 31 December 2021

10. Pension commitments

The pension charge amounted to £35,035 (2020: £Nil). The accrued contributions at the end of the year were £Nil (2020 - £Nil).

11. Related party transactions

The company has taken advantage of the exemption conferred by FRS102 section 33 'Related Party Disclosures' paragraph 33.1A not to disclose transactions with group companies on the grounds that 100% of the voting rights in the company are controlled by the group.

12. Prior Year Adjustments

The company identified two prior year adjustments relating to cost of sales and administrative expenditure that had been recognised in the incorrect accounting period. The monetary values of these adjustments were a £28,066 debit to administrative expenditure and a £35,901 credit to Cost of Sales. The net impact of these two adjustments was a £7,835 decrease to profit after tax and net assets for the year ended 31 December 2020.

13. Contingency

The Company has agreed to guarantee the obligations of its parent in case of non-payment to a maximum of CAD\$250,000,000 (2020: CAD\$150,000,000) and has pledged its bank account, present and future book and other debts, and monetary and other claims due or owing to the Company as security of its guarantee. As at December 31, 2021, the ultimate parent indebtedness was CAD\$63,506,000 (2020: CAD\$(2020: CAD\$3,652,000). Should any amount become payable under the guarantee, such amount would be expensed in the year incurred.

14. Immediate parent and ultimate controlling party

At 31 December 2021 the company's immediate parent company and ultimate controlling party was Atallah International Inc., incorporated in Canada which is the parent of the largest group of which the company is a member.

Copies of the consolidated financial statements of Atallah International Inc. are publicly available from Atallah International Inc, 900-333 Chabanel St W, Montreal, Quebec, H2N 2E7, Canada.