

Registration number: 09580250

Aquazzura UK Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018



Aquazzura UK Limited

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Aquazzura UK Limited

Company Information

Directors	E I Osorio Aduen
	D Osorio Aduen
	C M Hogan
	F Tendcrini
Company secretary	Laggan Secretaries Limited
Registered office	5th Floor, North Side 7/10 Chandos Street Cavendish Square London W1G 9DQ
Auditors	RSM UK Audit LLP Statutory Auditor 25 Farringdon Street London United Kingdom

Aquazzura UK Limited

Directors' Report for the Year Ended 31 December 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Directors of the company

The directors who held office during the year were as follows:

A C Hogan (resigned 17 April 2019)

E I Osorio Aduen

The following directors were appointed after the year end:

D Osorio Aduen (appointed 19 July 2019)

C M Hogan (appointed 17 April 2019)

F Tenderini (appointed 1 January 2019)

Principal activity

The principal activity of the company is the import and sale of luxury shoes from its retail store in London.

Post Balance Sheet events

On 16 July 2019, the Company started trading from a new second store at Bicester Village.

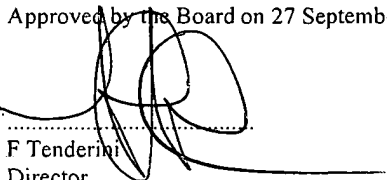
Disclosure of information to the auditors

Each director has taken 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 auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 27 September 2019 and signed on its behalf by:



F Tenderini
Director

Aquazzura UK Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Directors' 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). 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 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.

Aquazzura UK Limited

Independent Auditor's Report to the Members of Aquazzura UK Limited

Opinion on financial statements

We have audited the financial statements of Aquazzura UK Limited (the 'company') for the year ended 31 December 2018, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and 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 Section 1A '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 2018 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

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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Aquazzura UK Limited

Independent Auditor's Report to the Members of Aquazzura UK Limited

Opinion on other matter 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 has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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; or
 - the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions from the requirement to prepare a Strategic Report or in preparing the Directors' Report.
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Aquazzura UK Limited

Independent Auditor's Report to the Members of Aquazzura UK Limited

Responsibilities of directors

As more fully explained 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

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Richard Heap FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
United Kingdom

30 September 2019

Aquazzura UK Limited

Profit and Loss Account for the Year Ended 31 December 2018

	Note	2018 £	2017 £
Turnover		1,139,849	1,132,451
Cost of sales		<u>(672,494)</u>	<u>(302,690)</u>
Gross profit		467,355	829,761
Administrative expenses		(793,092)	(860,935)
Other operating income		<u>342,730</u>	<u>47,822</u>
Operating profit		<u>16,993</u>	<u>16,648</u>
Profit before tax	4	16,993	16,648
Taxation		<u>-</u>	<u>-</u>
Profit for the financial year		<u><u>16,993</u></u>	<u><u>16,648</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

Aquazzura UK Limited

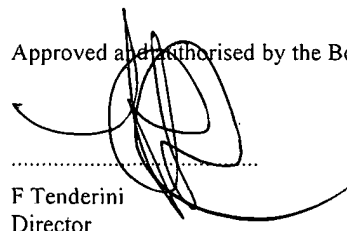
(Registration number: 09580250)
Balance Sheet as at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	5	188,805	239,498
Current assets			
Stocks	6	340,924	557,317
Debtors	7	119,394	114,456
Cash at bank and in hand		291,692	118,054
		<u>752,010</u>	<u>789,827</u>
Creditors: Amounts falling due within one year	8	<u>(1,184,413)</u>	<u>(1,289,917)</u>
Net current liabilities		<u>(432,403)</u>	<u>(500,090)</u>
Net liabilities		<u>(243,598)</u>	<u>(260,592)</u>
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss account		<u>(244,598)</u>	<u>(261,592)</u>
Total equity		<u>(243,598)</u>	<u>(260,592)</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 27 September 2019 and signed on its behalf by:


F Tenderini
Director

Aquazzura UK Limited

Statement of Changes in Equity for the Year Ended 31 December 2018

	Share capital £	Profit and loss account £	Total £
At 1 January 2018	1,000	(261,591)	(260,591)
Profit for the year	-	16,993	16,993
Total comprehensive income	-	16,993	16,993
At 31 December 2018	1,000	(244,598)	(243,598)
	Share capital £	Profit and loss account £	Total £
At 1 January 2017	1,000	(278,240)	(277,240)
Profit for the year	-	16,648	16,648
Total comprehensive income	-	16,648	16,648
At 31 December 2017	1,000	(261,592)	(260,592)

The notes on pages 10 to 16 form an integral part of these financial statements.

Aquazzura UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 General information

The company is a private company limited by share capital, incorporated in England & Wales.

The principal activity of the company is included in the Directors' Report.

The address of its registered office is:

5th Floor, North Side
7/10 Chandos Street
Cavendish Square
London
W1G 9DQ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the requirements of the Companies House Act 2006 as applicable to companies subject to the small companies regime.

The disclosure requirements of section 1A of FRS102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in GBP Pound Sterling (£'s), which is the functional currency of the company.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Name of immediate parent

These financial statements are consolidated in the financial statements of Aquazzura Investment Limited.

The financial statements of Aquazzura Investment Limited may be obtained from 5th Floor, North Side, 7-10 Chandos Street, London, W1G 9DQ, United Kingdom.

Going concern

The company remains dependent upon its ultimate parent company Aquazzura Investment Limited to provide ongoing financial support. The directors have had confirmation of the availability of ongoing group support and are satisfied that the group have sufficient financial resources to provide this. On this basis the directors consider that preparation of the company accounts on a going concern basis remains appropriate.

Revenue recognition

Turnover

The turnover shown in the profit and loss account represents the value of all goods sold during the period, less returns received, at selling price exclusive of Value Added Tax. Sales are recognised at the point of sale.

Aquazzura UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable. Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold improvements	over the remaining term of the lease on a straight line basis
Plant and machinery	20% straight line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Aquazzura UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises materials.

Net realisable value is the estimated selling prices less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Rent free periods or other incentives received are accounted for as a reduction to the expense and are recognised on a straight line basis over the lease term.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Pensions

The company makes contributions to the personal pension plans of eligible employees. The amount charged to the profit and loss account in respect of pension costs is the contribution payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Aquazzura UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity Instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Aquazzura UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 4 (2017 - 4).

4 Profit before tax

Operating profit

Arrived at after charging/(crediting)

	2018	2017
	£	£
Depreciation expense	64,292	62,869
Foreign exchange losses/(gains)	455	(175)
Operating lease expense - property	<u>307,630</u>	<u>287,630</u>

Aquazzura UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

5 Tangible assets

	Leasehold land and buildings £	Other tangible assets £	Total £
Cost or valuation			
At 1 January 2018	128,126	251,549	379,675
Additions	-	13,599	13,599
At 31 December 2018	<u>128,126</u>	<u>265,148</u>	<u>393,274</u>
Depreciation			
At 1 January 2018	30,053	110,124	140,177
Charge for the year	<u>13,008</u>	<u>51,284</u>	<u>64,292</u>
At 31 December 2018	<u>43,061</u>	<u>161,408</u>	<u>204,469</u>
Carrying amount			
At 31 December 2018	<u>85,065</u>	<u>103,740</u>	<u>188,805</u>
At 31 December 2017	<u>98,073</u>	<u>141,425</u>	<u>239,498</u>

6 Stocks

	2018 £	2017 £
Finished goods and goods for resale	<u>340,924</u>	<u>557,317</u>

7 Debtors

	2018 £	2017 £
Trade debtors	15,789	13,305
Prepayments	12,703	10,265
Other debtors	<u>90,902</u>	<u>90,886</u>
	<u>119,394</u>	<u>114,456</u>

Aquazzura UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

8 Creditors

Creditors: amounts falling due within one year

	2018 £	2017 £
Due within one year		
Trade creditors	27,816	20,162
Amounts owed to group undertakings and undertakings in which the company has a participating interest	1,031,604	1,147,955
Taxation and social security	39,899	12,166
Other creditors	85,094	109,634
	<u>1,184,413</u>	<u>1,289,917</u>

9 Parent and ultimate parent undertaking

The company's ultimate parent is Aquazurra Holding S.a.r.l., incorporated in Luxembourg. At 31 December 2017, the immediate and ultimate parent was Aquazzura Investment Limited. The smallest and largest company for which these financial statements are consolidated are Aquazzura Investment Limited, a company incorporated in the United Kingdom.

10 Taxation

The company has estimated losses of £247,182 (2017: £311,223) available for carry forward against operating profits.

On the basis of these financial statements, no provision has been made for corporation tax.

11 Obligations under leases and hire purchase contracts

Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018 £	2017 £
Not later than one year	-	300,000
Later than one year and not later than five years	161,918	164,384
	<u>161,918</u>	<u>464,384</u>