

# Aquazzura UK Limited

Annual Report and Financial Statements  
for the Year Ended 31 December 2022

# Aquazzura UK Limited

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# Aquazzura UK Limited

## Company Information

|                             |   |
|-----------------------------|---|
| <b>Directors</b>            | E I Osorio Aduen<br>F Tenderini<br>N R Hogan  |
| <b>Company secretary</b>    | Laggan Secretaries Limited<br>5th Floor, North Side<br>7/10 Chandos Street<br>Cavendish Square<br>London<br>W1G 9DQ |
| <b>Registered number</b>    | 09580250  |
| <b>Registered office</b>    | 5th Floor, North Side<br>7/10 Chandos Street<br>Cavendish Square<br>London<br>W1G 9DQ                               |
| <b>Bankers</b>              | Barclays Bank PLC<br>1 Churchill Place<br>Canary Wharf<br>London<br>E14 5HP   |
| <b>Indipendent Auditors</b> | A.C.T. Audit Limited<br>Statutory Auditor<br>48 Dover Street<br>London<br>United Kingdom<br>W1S 4FF                 |

## **Aquazzura UK Limited**

### **Directors' Report for the Year Ended 31 December 2022 (continued)**

The directors present their report and the financial statements for the year ended 31 December 2022.

#### **Directors of the company**

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

E I Osorio Aduen

C M Hogan (resigned 1 March 2022)

F Tenderini

N R Hogan (appointed 1 March 2022)

#### **Principal activity**

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

## **Aquazzura UK Limited**

### **Directors' Report for the Year Ended 31 December 2022 (continued)**

#### **Results and dividends**

The company profit for the year, after taxation, amounted to £87,166 (2021: £148,404).

The directors do not recommend the payment of a dividend (2021: £Nil).

#### **Future development and significant events**

The business strategy continues to be that of maintaining and developing the client base.

#### **Directors' responsibilities statement**

The directors are responsible 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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, 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; and
- 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 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 of disclosure of information to auditor**

Each director who held office at the date of approval of this directors' report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors in connection with prepare their report, of which the company's auditor is unaware; and
- The director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The confirmation is given and should be interpreted in accordance to the provision of s418 of the Companies Act 2006.

#### **Independent auditors**

The auditors, A.C.T. Audit Limited, will be proposed for reappointment in accordance with the Companies Act 2006, s. 485.

#### **Small companies provision statement**

This report has been prepared taking advantage of the exemptions for small companies within Part 15 of the Companies Act 2006.

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

Date: 27 July 2023

F Tenderini

Director

# **Aquazzura UK Limited**

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

### **Opinion on financial statements**

We have audited the Annual Report and Financial Statements of Aquazzura UK Limited (the 'company') for the year ended 31 December 2022, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the Notes to the Financial Statements, including 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 2022 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 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**

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 12 months from when the original financial statements were 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. 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

## **Aquazzura UK Limited**

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

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

#### **Other matters**

The prior year financial statements were unaudited.

#### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page two, 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.

## **Aquazzura UK Limited**

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

#### ***The extent to which the audit was considered capable of detecting irregularities including fraud***

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with Directors and other management, and from our commercial knowledge and experience of the retail sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental (including Waste Electrical and Electronic recycling (WEEE) Regulations 2013) and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators such as Companies House and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available 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 auditor's report.



## **Aquazzura UK Limited**

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

#### **Use of this 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.

Francesco Lepri (Senior Statutory Auditor)

For and on behalf of A.C.T. Audit Limited

48 Dover Street

London

United Kingdom

W1S 4FF

1 August 2023

# Aquazzura UK Limited

## Profit and Loss Account for the Year Ended 31 December 2022

|                                       | Note | 2022<br>£            | 2021<br>£             |
|---------------------------------------|------|----------------------|-----------------------|
| Turnover                              |      | 3,307,476            | 1,842,827             |
| Cost of sales                         |      | <u>(1,722,898)</u>   | <u>(978,324)</u>      |
| Gross profit                          |      | 1,584,578            | 864,503               |
| Administrative expenses               |      | (2,061,153)          | (1,655,603)           |
| Other operating income                |      | <u>564,120</u>       | <u>942,546</u>        |
| Operating profit                      |      | <u>87,545</u>        | <u>151,446</u>        |
| Interest payable and similar expenses |      | <u>(378)</u>         | <u>(3,042)</u>        |
|                                       |      | <u>(378)</u>         | <u>(3,042)</u>        |
| Profit before tax                     |      | 87,167               | 148,404               |
| Taxation                              |      | <u>-</u>             | <u>-</u>              |
| Profit for the financial year         |      | <u><u>87,167</u></u> | <u><u>148,404</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

## Balance Sheet as at 31 December 2022

|   | Note     | 2022<br>£   | 2021<br>£   |
|---|----------|-------------|-------------|
| <b>Fixed assets</b>                                   |          |             |             |
| Tangible assets                                       | <u>5</u> | 109,478     | 141,324     |
| <b>Current assets</b>                                 |          |             |             |
| Stocks  | <u>6</u> | 699,243     | 447,502     |
| Debtors   | <u>7</u> | 381,167     | 276,767     |
| Cash at bank and in hand                              |          | 1,494,067   | 528,796     |
|   |          | 2,574,477   | 1,253,065   |
| <b>Creditors: Amounts falling due within one year</b> | <u>8</u> | (2,934,853) | (1,732,454) |
| <b>Net current liabilities</b>                        |          | (360,376)   | (479,389)   |
| <b>Net liabilities</b>                                |          | (250,898)   | (338,065)   |
| <b>Capital and reserves</b>                           |          |             |             |
| Called up share capital                               |          | 1,000       | 1,000       |
| Retained earnings                                     |          | (251,898)   | (339,065)   |
| Shareholders' deficit                                 |          | (250,898)   | (338,065)   |

These financial statements of Aquazzura UK Limited, which 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, were approved by the Board and signed on its behalf by:

This report was approved by the Board on 27 July 2023 and signed on its behalf by:

F Tenderini  
Director

# Aquazzura UK Limited

## Statement of Changes in Equity for the Year Ended 31 December 2022

|                     | Share capital<br>£ | Retained<br>earnings<br>£ | Total<br>£ |
|---------------------|--------------------|---------------------------|------------|
| At 1 January 2022   | 1,000              | (339,065)                 | (338,065)  |
| Profit for the year | -                  | 87,167                    | 87,167     |
| At 31 December 2022 | 1,000              | (251,898)                 | (250,898)  |
|                     | Share capital<br>£ | Retained<br>earnings<br>£ | Total<br>£ |
| At 1 January 2021   | 1,000              | (487,469)                 | (486,469)  |
| Profit for the year | -                  | 148,404                   | 148,404    |
| At 31 December 2021 | 1,000              | (339,065)                 | (338,065)  |

# **Aquazzura UK Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2022**

### **1 General information**

Aquazzura UK Limited is a private company limited by shares and incorporated, domiciled and registered in England & Wales. The registered office address is 5th Floor, North Side, 7/10 Chandos Street, Cavendish Square, London, W1G 9DQ.

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

The directors believe that the company is experiencing good levels of sales growth and profitability, and that it is well placed to manage its business risks successfully. Accordingly, they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

The company's immediate parent undertaking, Aquazzura Italia S.r.l., includes the Company in its consolidated financial statements. The consolidated financial statements of Aquazzura Italia S.r.l. are prepared in accordance with Italian GAAP and are available to the public and may be obtained at the Company Address, Lungarno Corsini 8, Florence 50143 Italy.

### **2 Accounting policies**

#### **Basis of preparation of financial statements**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### **Measurement convention**

These financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Going concern**

The year 2023 started with a sales trend in line with the results achieved over the same period in 2022.

This is a particularly positive start in the absence of tax free sales regime in the UK, which is significantly impacting the performance of the business income in the UK to the benefit of European fashion capitals such as Milan and Paris.

The Company has registered an increase of online sales with an excellent performance of the web channel that grows by over 50%.

Finally, in May 2023, the Company decided to proceed with the opening of the second boutique in London, securing an international media prominence, which is expected to generate a significant sales growth in the second half of the year.

The company remains dependent upon its ultimate parent company Aquazzura Italia S.r.l. to provide ongoing financial support. The directors have had confirmation of the availability of ongoing group support for a period of twelve months from the signing of the Aquazzura UK Limited financial statements and are satisfied that the group have sufficient financial resources to provide this.

# **Aquazzura UK Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2022**

### **Turnover**

Revenue is recognised when the significant risks and rewards of ownership of goods have passed to the buyer, it is probable that the economic benefit will flow to the company and the amount of revenue can be measured reliably. Revenue is recognised at point of sale in store.

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

### **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 rate on the date when the fair value is re-measured.

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

### **Finance costs/Finance income**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

### **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.

# Aquazzura UK Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022

### Tangible assets

Tangible assets are stated in the balance sheet 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                                  |
|------------------------|---|
| Leaschold 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.

### 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.

Where necessary, provision is made for obsolete, slow moving and defective stocks based on the directors' knowledge of customer demands and trends and therefore the directors have used their best estimation in relation to stock valuation.

### 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.

# **Aquazzura UK Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2022**

### **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.

### **Defined contribution plans**

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.

### **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.



# Aquazzura UK Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022

### *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.

## 3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 18 (2021 - 17).

The directors' remuneration for the year is £nil (2021: £2,500).

## 4 Auditor's remuneration

|  | 2022<br>£ | 2021<br>£ |
|--|-----------|-----------|
| Fees payable for the audit of the financial statements | 12,000    | 12,500    |

# Aquazzura UK Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022

### 5 Tangible assets

|                          | Leasehold land<br>and buildings<br>£ | Other tangible<br>assets<br>£ | Total<br>£ |
|--------------------------|--------------------------------------|-------------------------------|------------|
| <b>Cost or valuation</b> |                                      |                               |            |
| At 1 January 2022        | 175,789                              | 509,449                       | 685,238    |
| Additions                | -                                    | 17,033                        | 17,033     |
| At 31 December 2022      | 175,789                              | 526,482                       | 702,271    |
| <b>Depreciation</b>      |                                      |                               |            |
| At 1 January 2022        | 117,544                              | 426,370                       | 543,914    |
| Charge for the year      | 14,292                               | 34,587                        | 48,879     |
| At 31 December 2022      | 131,836                              | 460,957                       | 592,793    |
| <b>Carrying amount</b>   |                                      |                               |            |
| At 31 December 2022      | 43,953                               | 65,525                        | 109,478    |
| At 31 December 2021      | 58,245                               | 83,079                        | 141,324    |

### 6 Stocks

|                                     | 2022<br>£ | 2021<br>£ |
|-------------------------------------|-----------|-----------|
| Finished goods and goods for resale | 699,243   | 447,502   |

Stock comprises a provision for obsolete stock of £369,539 (2021: £618,355)

### 7 Debtors

|   | 2022<br>£ | 2021<br>£ |
|---|-----------|-----------|
| <b>Amounts falling less than 1 year</b>           |           |           |
| Trade debtors                                     | 162,901   | 36,149    |
| Prepayments                                       | 41,505    | 61,415    |
| Other debtors                                     | 1         | 2,703     |
|   | 204,407   | 100,267   |
| <b>Amounts falling due after more than 1 year</b> |           |           |
| Rent deposit                                      | 176,760   | 176,500   |

The Barclays bank has given a guarantee to Aquazzura UK Limited of up to £81,370 (2021: £81,370) which is in turn secured over the bank balance.

## Aquazzura UK Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 8 Creditors

##### Creditors: amounts falling due within one year

|                                    | 2022<br>£        | 2021<br>£        |
|------------------------------------|------------------|------------------|
| <b>Due within one year</b>         |                  |                  |
| Bank loans and overdrafts          | 1,427            | -                |
| Trade creditors                    | 100,299          | 56,891           |
| Amounts owed to group undertakings | 2,659,472        | 1,446,156        |
| Taxation and social security       | 122,584          | 106,052          |
| Other creditors                    | 51,071           | 123,355          |
|                                    | <u>2,934,853</u> | <u>1,732,454</u> |

The loan, from the parent company, Aquazzura Italia Srl, which bore an interest rate of 2% and had no specified repayment term, has been fully repaid during the year 2022.

The interest charged during the year was £378 (2021: £3,042) and the loan balance outstanding at the year end was £nil (2021: £150,000).

#### 9 Obligations under leases and hire purchase contracts

##### Operating leases

The total of future minimum lease payments is as follows:

|   | 2022<br>£      | 2021<br>£        |
|---|----------------|------------------|
| Not later than one year                           | 435,617        | 435,617          |
| Later than one year and not later than five years | 539,058        | 974,675          |
|   | <u>974,675</u> | <u>1,410,292</u> |

The amount of non-cancellable operating lease payments recognised as an expense during the year was £470,151 (2021 - £315,024).

#### 10 Parent and ultimate parent undertaking

The company's immediate parent is Aquazzura Italia Srl, incorporated in Italy.

The smallest and largest company for which these financial statements are consolidated is Aquazzura Italia Srl.

The ultimate controlling party are Edgardo Osorio and Ricardo D'Almeida.

#### 11 Taxation

The company has estimated losses of £144,189 (2021: £255,918) available for carry forward against operating profits. Prudently, no DTA has been accrued.

## **Aquazzura UK Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2022**

#### **12. Related party transactions**

As a wholly owned subsidiary, the company has taken advantage of the exemption available under section 33.1A of FRS 102 not to disclose details of transactions with other wholly owned group companies.

#### **13. Retirement benefit scheme**

The Company operates a defined contribution retirement benefit scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. At the balance sheet date, unpaid contributions of £1,856 (2021: £1,595) were due to the fund. They are included in other creditors.

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.