

Registration number: 09580250

# Aquazzura UK Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2020

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# **Aquazzura UK Limited**

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## **Aquazzura UK Limited**

### **Company Information**

<b>Directors</b>	E I Osorio Aduen
	C M Hogan
	F Tenderini
<b>Company secretary</b>	Laggan Secretaries Limited
<b>Registered office</b>	5th Floor, North Side 7/10 Chandos Street Cavendish Square London W1G 9DQ
<b>Accountants</b>	DTL Advisory Limited Chartered Certified Accountant 5th Floor, North Side 7/10 Chandos Street Cavendish Square London W1G 9DQ

## **Aquazzura UK Limited**

### **Directors' Report for the Year Ended 31 December 2020**

The directors present their report and the financial statements for the year ended 31 December 2020.

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

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

E I Osorio Aduen

D Osorio Aduen (resigned 26 March 2020)

C M Hogan

F Tenderini

#### **Principal activity**

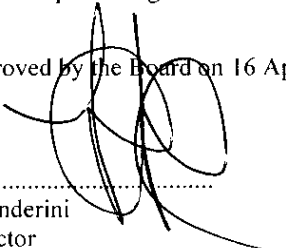
The principal activity of the company is the import and sale of luxury shoes from its retail store in London and outlet store at Bicester Village.

#### **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 16 April 2021 and signed on its behalf by:

.....  
F Tenderini  
Director



**Aquazzura UK Limited**  
**(Registration number: 09580250)**  
**Balance Sheet as at 31 December 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	5	269,348	354,358
<b>Current assets</b>			
Stocks	6	589,547	604,133
Debtors	7	151,355	181,146
Cash at bank and in hand		271,329	381,076
		<u>1,012,231</u>	<u>1,166,355</u>
<b>Creditors: Amounts falling due within one year</b>	8	<u>(1,768,048)</u>	<u>(1,725,663)</u>
<b>Net current liabilities</b>		<u>(755,817)</u>	<u>(559,308)</u>
<b>Net liabilities</b>		<u>(486,469)</u>	<u>(204,950)</u>
<b>Capital and reserves</b>			
Called up share capital		1,000	1,000
Profit and loss account		<u>(487,469)</u>	<u>(205,950)</u>
<b>Total equity</b>		<u>(486,469)</u>	<u>(204,950)</u>

For the financial year ending 31 December 2020 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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.

Approved and authorised by the Board on 16 April 2021 and signed on its behalf by:

.....  
F Tenderini  
Director

## **Aquazzura UK Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **1 General information**

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

The address of its registered office 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.

#### **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.

##### **Going concern**

The company remains dependent upon its immediate parent company Aquazzura Italia Srl 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 approval of the Aquazzura UK Limited financial statements and are satisfied that the group have sufficient financial resources to provide this. Although the Aquazzura Italia Srl and its subsidiaries have been impacted by Covid-19, the group have applied mitigating actions to offset the decline in sales. This includes obtaining additional funding from its bankers of €5m. Furthermore the company has taken advantage of Government's sources of support made available to businesses during the pandemic such as Job Retention Scheme for furloughed staff, Business Rates relief and Government backed lending schemes and successfully renegotiated the term of lease to improve the cash flow. 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 2020**

#### **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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
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 2020**

#### **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 2020**

#### **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 2020**

#### **3 Staff numbers**

The average number of persons employed by the company (including directors) during the year, was 17 (2019 - 9).

#### **4 Loss/profit before tax**

##### **Operating loss**

Arrived at after charging/(crediting)

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Depreciation expense	101,281	88,396
Foreign exchange losses	1,420	4,912
Operating lease expense - property	377,089	383,752
Operating lease expense - plant and machinery	<u>5,942</u>	<u>3,064</u>

## Aquazzura UK Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020

#### 5 Tangible assets

	Leasehold land and buildings £	Other tangible assets £	Total £
<b>Cost or valuation</b>			
At 1 January 2020	156,943	490,280	647,223
Additions	<u>6,000</u>	<u>10,271</u>	<u>16,271</u>
At 31 December 2020	<u>162,943</u>	<u>500,551</u>	<u>663,494</u>
<b>Depreciation</b>			
At 1 January 2020	57,029	235,836	292,865
Charge for the year	<u>16,446</u>	<u>84,835</u>	<u>101,281</u>
At 31 December 2020	<u>73,475</u>	<u>320,671</u>	<u>394,146</u>
<b>Carrying amount</b>			
At 31 December 2020	<u>89,468</u>	<u>179,880</u>	<u>269,348</u>
At 31 December 2019	<u>99,914</u>	<u>254,444</u>	<u>354,358</u>

#### 6 Stocks

	2020 £	2019 £
Finished goods and goods for resale	<u>589,547</u>	<u>604,133</u>

#### 7 Debtors

	2020 £	2019 £
Trade debtors	14,437	53,133
Prepayments	41,126	37,111
Other debtors	<u>95,792</u>	<u>90,902</u>
	<u>151,355</u>	<u>181,146</u>

## **Aquazzura UK Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **8 Creditors**

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Due within one year</b>		
Trade creditors	179,658	41,532
Amounts owed to group undertakings and undertakings in which the company has a participating interest	1,425,181	1,473,771
Taxation and social security	43,026	98,234
Other creditors	<u>120,183</u>	<u>112,126</u>
	<u><b>1,768,048</b></u>	<u><b>1,725,663</b></u>

Included in Creditors there is a loan, from the parent company, Aquazzura Italia Srl, which bears an interest rate of 2% and has no specified repayment term.

The interest charged during the year was £1,722 (2019: £ nil) and the loan balance outstanding at the year end was £150,000 (2019: £ nil).

#### **9 Parent and ultimate parent undertaking**

As a result of a group restructuring that took place during the year, 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.

#### **10 Taxation**

The company has estimated losses of £541,537 (2019: £351,000) available for carry forward against operating profits.

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

## **Aquazzura UK Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **11 Obligations under leases and hire purchase contracts**

##### **Operating leases**

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Not later than one year	440,000	440,000
Later than one year and not later than five years	1,418,333	1,695,945
Later than five years	-	162,500
	<u>1,858,333</u>	<u>2,298,445</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £377,089 (2019 - £383,752).

#### **12 Post balance sheet events**

The World Health Organisation (WHO) officially declared the coronavirus (Covid-19) outbreak a global pandemic on 11 March 2020. The immediate and longer term impact of Covid-19 on the retail sector has been significant and is expected to remain so for the foreseeable future. The directors are satisfied that despite the uncertainties over discretionary spending, as a result of the support from the group's parent company, Aquazzura Italia Srl, they are confident that the company will continue as a going concern and a material uncertainty in respect of going concern does not exist. See note 2 to the financial statements for further details. Whilst the impact cannot be quantified at this stage, the carrying value of assets including fixed assets may be affected. This will be assessed in the year ended 31 December 2021 financial statements.