

Company registration number 12416926 (England and Wales)

ARTESENCE UK LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

ARTESSENCE UK LTD

COMPANY INFORMATION

Director	Mr J Sprecher
Company number	12416926
Registered office	Saxon House Moseley's Farm Business Centre Fornham All Saints Bury St Edmunds Suffolk IP28 6JY
Auditor	Ensors Accountants LLP Saxon House Moseley's Farm Business Centre Fornham All Saints Bury St Edmunds Suffolk IP28 6JY

ARTESSENCE UK LTD

CONTENTS

	Page
Director's report	1
Director's responsibilities statement	2
Independent auditor's report	3 - 5
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10 - 22

ARTESSENCE UK LTD

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The director presents his annual report and financial statements for the year ended 31 March 2022.

Principal activities

The principal activity of the company continued to be that of distributing and supplying luxury perfume products to retailers.

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mr J Sprecher

Auditor

In accordance with the company's articles, a resolution proposing that Ensors Accountants LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board

Mr J Sprecher

Director

9 June 2022

ARTESSENCE UK LTD

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Under company law the director must not approve the financial statements unless he is 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The director is 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. He is 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.

ARTESSENCE UK LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ARTESSENCE UK LTD

Opinion

We have audited the financial statements of Artesse UK Ltd (the 'company') for the year ended 31 March 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; 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 director's 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 director 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 director is 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

ARTESSENCE UK LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ARTESSENCE UK LTD

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 director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Our audit was designed to include tests of detail together with an assessment of the control environment to enable us to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud. This included work on areas where we consider there is a higher risk of fraud including revenue recognition, management override of systems and control, transactions with related parties, commitments and contingencies and accounting estimates.

We also obtained an understanding of the legal and regulatory framework that the company operates in, through discussions with the director and other management, and from our own knowledge and experience of the sector.

ARTESSENCE UK LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ARTESSENCE UK LTD

Audit response to risks identified

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company are complying with the legal and regulatory framework both at the planning stage and reminded to remain alert throughout the audit;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud;
- robustly challenged accounting estimates to ensure no indication of management bias.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

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

Christopher Barrett (Senior Statutory Auditor)
For and on behalf of Ensors Accountants LLP

10 June 2022

Chartered Accountants
Statutory Auditor

Saxon House
Moseley's Farm Business Centre
Fornham All Saints
Bury St Edmunds
Suffolk
IP28 6JY

ARTESSENCE UK LTD

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

		Year ended 31 March 2022 £	Period ended 31 March 2021 £
	Notes		
Revenue	3	1,429,396	476,642
Cost of sales		(713,216)	(242,391)
Gross profit		716,180	234,251
Administrative expenses		(599,319)	(264,613)
Operating profit/(loss)	4	116,861	(30,362)
Income tax expense	6	(15,318)	-
Profit/(loss) and total comprehensive income for the year	16	101,543	(30,362)

The income statement has been prepared on the basis that all operations are continuing operations.

ARTESSENCE UK LTD

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Notes	2022 £	2021 £
Non-current assets			
Property, plant and equipment	7	12,231	12,558
Current assets			
Inventories	8	331,399	233,437
Trade and other receivables	9	95,140	25,386
Cash and cash equivalents		229,185	157,846
		655,724	416,669
Current liabilities			
Trade and other payables	13	581,455	459,588
Current tax liabilities		12,260	-
		593,715	459,588
Net current assets/(liabilities)		62,009	(42,919)
Non-current liabilities			
Deferred tax liabilities	14	3,058	-
Net assets/(liabilities)		71,182	(30,361)
Equity			
Called up share capital	15	1	1
Retained earnings	16	71,181	(30,362)
Total equity		71,182	(30,361)

The financial statements were approved and signed by the director and authorised for issue on 9 June 2022

Mr J Sprecher

Director

Company registration number 12416926

ARTESSENCE UK LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Share capital £	Retained earnings £	Total £
Balance at 21 January 2020		-	-	-
Period ended 31 March 2021:				
Loss and total comprehensive income for the period		-	(30,362)	(30,362)
Transactions with owners in their capacity as owners:				
Issue of share capital	15	1	-	1
Balance at 31 March 2021		1	(30,362)	(30,361)
Year ended 31 March 2022:				
Profit and total comprehensive income for the year		-	101,543	101,543
Balance at 31 March 2022		1	71,181	71,182

ARTESSENCE UK LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	20		74,218		170,639
Net cash inflow from operating activities			<u>74,218</u>		<u>170,639</u>
Investing activities					
Purchase of property, plant and equipment		(2,879)		(12,794)	
Net cash used in investing activities		<u>(2,879)</u>	(2,879)	<u>(12,794)</u>	(12,794)
Financing activities					
Proceeds from issue of shares		-		1	
Net cash (used in)/generated from financing activities		<u>-</u>	-	<u>1</u>	1
Net increase in cash and cash equivalents			<u>71,339</u>		<u>157,846</u>
Cash and cash equivalents at beginning of year			<u>157,846</u>		<u>-</u>
Cash and cash equivalents at end of year			<u><u>229,185</u></u>		<u><u>157,846</u></u>

ARTESSENCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Artesence UK Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Saxon House, Moseley's Farm Business Centre, Fornham All Saints, Bury St Edmunds, Suffolk, IP28 6JY. The company's principal activities and nature of its operations are disclosed in the director's report.

1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The director has assessed the financial position of the company and have prepared budgets and forecasts which do not indicate any events or conditions which cast significant doubt on the company's ability to continue as a going concern. This, coupled with the ongoing support of the group in which the company is an undertaking, provide the director with a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future at the time of signing these financial statements. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

The company has one revenue stream, being the sale of goods. The sale of goods is therefore treated as a single performance obligation with transactions measured at the company's sales prices for the goods sold. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% straight-line
Plant and equipment	25% straight-line

Assets in the course of construction are not depreciated.

ARTESSENCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.5 Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

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

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

ARTESSENCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.8 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

The company does not have any financial assets classified as fair value through profit and loss.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- The disappearance of an active market for that financial asset because of financial difficulties

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

ARTESSENCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Modifications of contractual cash flows

Modifications of the contractual cash flows of a financial asset might result in de-recognition of the existing instrument if the existing agreement is cancelled and a new agreement made on substantially different terms or if the terms of an existing agreement are modified such that the renegotiated loan is a substantially different instrument. The date of the modification is the date of initial recognition for the new financial asset when applying the impairment requirements of IFRS 9.

Where a modification does not result in de-recognition, the gross carrying amount of the modified asset is adjusted to reflect the revised contractual cash flows. The new gross carrying amount is determined as the present value of the estimated future modified contractual cash flows discounted at the asset's original effective interest rate. The resulting adjustment is charged to the income statement as a gain or loss on modification.

Modified assets are assessed to determine whether a significant increase in credit risk has occurred. The company considers the credit risk at the reporting date under the modified contractual terms of the asset. This is compared to the credit risk at initial recognition under the original unmodified contractual terms of the financial asset. If this comparison does not show a significant increase in credit risk, the loss allowance is measured at a 12-month expected credit loss.

1.9 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

The company does not have financial liabilities at fair value through profit or loss.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

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

1.10 Equity instruments

Equity instruments issued by the company are recorded at the 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.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

ARTESSENCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The company had no employees during the period.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

ARTESSENCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

2 Adoption of new and revised standards and changes in accounting policies

Standards which are in issue but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IFRS 17	Insurance Contracts (effective on or after 1 January 2023)
IAS 1 (amendments)	Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current (effective on or after 1 January 2023)
IAS 1 (amendments)	Presentation of Financial Statements - Disclosure of Accounting Policies (effective on or after 1 January 2023)
IAS 8 (amendments)	Accounting Policies, Changes in Accounting Estimates and Errors (effective on or after 1 January 2023)
IAS 12 (amendments)	Deferred Tax related to Assets and Liabilities arising from Single Transaction (effective on or after 1 January 2023)

The company is currently assessing the impact of these new accounting amendments but does not expect that their adoption will have a material impact on the financial statements in future periods.

3 Revenue

	2022	2021
	£	£
Revenue analysed by class of business		
Sale of goods	1,429,396	476,642

The company's revenue is generated entirely from the United Kingdom.

4 Operating profit/(loss)

	2022	2021
	£	£
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange losses/(gains)	25,353	(17,375)
Fees payable to the company's auditor for the audit of the company's financial statements	12,500	7,250
Depreciation of property, plant and equipment	3,206	236
Cost of inventories recognised as an expense	704,995	222,612

ARTESSENCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

5 Employees

The average monthly number of persons (including the director) employed by the company during the year was:

	2022 Number	2021 Number
Management	1	1

6 Income tax expense

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	12,260	-
Deferred tax		
Origination and reversal of temporary differences	3,058	-
Total tax charge	15,318	-

The charge for the year can be reconciled to the profit/(loss) per the income statement as follows:

	2022 £	2021 £
Profit/(loss) before taxation	116,861	(30,362)
Expected tax charge/(credit) based on a corporation tax rate of 19.00% (2021: 19.00%)	22,204	(5,769)
Effect of expenses not deductible in determining taxable profit	1,133	21
Effect of change in UK corporation tax rate	734	-
Permanent capital allowances in excess of depreciation	(199)	-
Movement in deferred tax not recognised	(5,748)	5,748
Transfer pricing adjustments	(2,806)	-
Taxation charge for the year	15,318	-

ARTESSENCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

7 Property, plant and equipment

	Assets under construction £	Plant and equipment £	Fixtures and fittings £	Total £
Cost				
At 21 January 2020	-	-	-	-
Additions	9,959	-	2,835	12,794
At 31 March 2021	9,959	-	2,835	12,794
Additions	-	2,879	-	2,879
Transfer from assets under construction	(9,959)	9,959	-	-
At 31 March 2022	-	12,838	2,835	15,673
Accumulated depreciation and impairment				
At 21 January 2020	-	-	-	-
Charge for the year	-	-	236	236
At 31 March 2021	-	-	236	236
Charge for the year	-	2,490	716	3,206
At 31 March 2022	-	2,490	952	3,442
Carrying amount				
At 31 March 2022	-	10,348	1,883	12,231
At 31 March 2021	9,959	-	2,599	12,558

8 Inventories

	2022 £	2021 £
Finished goods	331,399	233,437

9 Trade and other receivables

	2022 £	2021 £
Trade receivables	76,482	25,386
VAT recoverable	10,342	-
Prepayments	8,316	-
	95,140	25,386

The above balance represents the company's financial assets measured at amortised cost.

ARTESSENCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

10 Trade receivables - credit risk

Fair value of trade receivables

The director considers that the carrying amount of trade receivables is approximately equal to their fair value.

No significant receivable balances are impaired at the reporting end date.

The company's operations expose it to degrees of financial risk, including credit risk. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company's exposure to credit risk arises from the risk of default in relation to trade receivables and from the risk of a failure of a financial institution in which funds are invested for return or held for trading purposes or with whom derivative contracts are entered into.

Credit risk is primarily attributable to the company's cash and trade receivable. As of 31 March 2022, these balances together totalled £305,667 (2021: £183,232). The credit risk lies most significantly with the company's cash balances.

Responsibility for credit risk management rests with the company director, who has established an appropriate credit risk management framework for the management of the company's funding and liquidity management requirements. The company manages credit risk by maintaining adequate reserves and reviewing credit policies for appropriateness, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

11 Fair value of financial liabilities

The company holds financial liabilities held at amortised cost. This comprises trade payables, amounts owed to parent undertaking, amounts owed to fellow group undertakings and accruals.

The director considers that the carrying amounts of financial liabilities carried at amortised cost in the financial statements approximate to their fair values.

ARTESSENCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

12 Liquidity risk

The following table details the remaining contractual maturity for the company's financial liabilities with agreed repayment periods. The contractual maturity is based on the earliest date on which the company may be required to pay.

	Less than 1 month £
At 31 March 2021	
Trade payables	21,090
Amounts owed to parent undertaking	199,049
Amounts owed to fellow group undertakings	221,144
Accruals	10,750
	<u>452,033</u>
At 31 March 2022	
Trade payables	3,128
Amounts owed to parent undertaking	85,881
Amounts owed to fellow group undertakings	470,296
Accruals	22,150
	<u>581,455</u>

Liquidity risk management

The company is exposed to liquidity risk across the financial liability balances identified above, which arises during the normal course of trade and can affect the company's ability to effectively manage its cash flow and ensure it can meet its obligations as and when they fall due.

Responsibility for liquidity risk management rests with the company director, who has established an appropriate liquidity risk management framework for the management of the company's funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

13 Trade and other payables

	2022 £	2021 £
Trade payables	3,128	21,090
Amount owed to parent undertaking	85,881	199,049
Amounts owed to fellow group undertakings	470,296	221,144
Accruals	22,150	10,750
Social security and other taxation	-	7,555
	<u>581,455</u>	<u>459,588</u>

ARTESSENCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

13 Trade and other payables

(Continued)

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

14 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	ACAs £
Liability at 1 April 2020 and 1 April 2021	-
Deferred tax movements in current year	
Charge/(credit) to profit or loss	3,058
	<u>3,058</u>
Liability at 31 March 2022	<u>3,058</u>

15 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Authorised				
Ordinary shares of £1 each	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Issued and fully paid				
Ordinary shares of £1 each	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

16 Retained earnings

	2022 £	2021 £
At the beginning of the year	(30,362)	-
Profit/(loss) for the year	101,543	(30,362)
	<u>71,181</u>	<u>(30,362)</u>
At the end of the year	<u>71,181</u>	<u>(30,362)</u>

Retained earnings comprises accumulated profits and losses generated by the company.

17 Capital risk management

The company is not subject to any externally imposed capital requirements.

ARTESSENCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

18 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, including directors, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

Other transactions with related parties

During the year the company entered into the following transactions with related parties:

	Purchase of goods, services & fixed assets	
	2022	2021
	£	£
Parent company	827,646	525,614
Other related parties	410,209	194,009
	<u>1,237,855</u>	<u>719,623</u>

The following amounts were outstanding at the reporting end date:

	2022	2021
	£	£
Amounts due to related parties		
Parent company	85,881	199,049
Other related parties	470,296	221,144
	<u>556,177</u>	<u>420,193</u>

Amounts owed to parent company is comprised an intercompany loan account of £85,881 (2021: £199,049).

The intercompany loan account is to cover working capital requirements of the company's trade and is repayable on demand. No interest is accrued on this balance.

19 Controlling party

The immediate parent company of Artesence UK Limited is Artesence FZE, which is a registered company in the United Arab Emirates.

The ultimate parent company is Tradimo SPV Limited, which is also a registered company in the United Arab Emirates.

The beneficial owners of the entire group are Julien Sprecher and Axel Berrier.

The smallest and largest group in which the financial statements of the company are included is that owned by Artesence FZE.

ARTESSENCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

20 Cash generated from operations

	2022	2021
	£	£
Profit/(loss) for the year before income tax	116,861	(30,362)
Adjustments for:		
Depreciation and impairment of property, plant and equipment	3,206	236
Movements in working capital:		
Increase in inventories	(97,962)	(233,437)
Increase in trade and other receivables	(59,412)	(25,386)
Increase in trade and other payables	111,525	459,588
Cash generated from operations	<u>74,218</u>	<u>170,639</u>

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.