

**CENTRIC BRANDS INTERNATIONAL EUROPE
LIMITED**

Registered number: 13087110

Annual report and audited financial statements
For the year ended 31 December 2022



Contents

	Page
Balance sheet	1
Notes to the financial statements	2

Centric Brands International Europe Limited

Company registration number: 13087110

Balance sheet**As at 31 December 2022**

	<i>Note</i>	2022		2021	
		£	£	£	£
Fixed assets					
Intangible assets	3	1,619,760		1,553,961	
Tangible assets	4	163,975		-	
		<u>1,783,735</u>		<u>1,553,961</u>	
Current assets					
Stocks	5	1,859,036		1,327,628	
Debtors	6	2,195,277		1,118,185	
Cash at bank and in hand		845,124		475,067	
		<u>4,899,437</u>		<u>2,920,880</u>	
Creditors: amounts falling due within one year	7	<u>(6,334,464)</u>		<u>(5,102,163)</u>	
Net current liabilities			<u>(1,435,027)</u>		<u>(2,181,283)</u>
Total assets less current liabilities			<u>348,708</u>		<u>(627,322)</u>
Net assets/(liabilities)			<u>348,708</u>		<u>(627,322)</u>
Capital and reserves					
Called up share capital	8	1		1	
Profit and loss account		348,707		(627,323)	
Shareholders' funds/(deficit)		<u>348,708</u>		<u>(627,322)</u>	


The Directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

The notes on pages 2 to 9 form part of these financial statements.

These financial statements on pages 1 to 9 were approved by the board of directors on 08/9/2023 and were signed on its behalf by:



Anurup Pruthi
Director

Company Registration Number: 13087110

Centric Brands International Europe Limited

Company registration number: 13087110

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

1. General information

Centric Brands International Europe Limited (the "Company") is a private company incorporated, domiciled and registered in England and Wales. The registered number is 13087110 and the registered office is Capital Building, Tyndall Street, Cardiff, Wales, CF10 4AZ.

The Company was incorporated in United Kingdom by the name of Centric Brands International Europe Limited on 17 December 2020.

Statement of compliance

The financial statements of the Company have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 Section 1A, *The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland* ("FRS 102") and the Companies Act 2006. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

For the period ended 31 December 2021, the Company prepared its financial statements in accordance with FRS 101. There is no material impact of transition to FRS 102 Section 1A.

The Company's immediate parent undertaking, Centric Brands Holding LLC, includes the Company in its consolidated financial statements. The consolidated financial statements of Centric Brands Holding LLC, may be obtained from 1209 Orange St, Wilmington, DE 19801.

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Centric Brands LP include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share-based Payments; and,
- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The Company was in a profitable position in 2022. After review the Company's forecasts and projects, which cover 12-month period from the date of signing the financial statement, the Directors expect a positive outlook for the future. Therefore, the financial statements were prepared under the assumption that the Company will continue to operate as a going concern for the foreseeable future.

1.3 Foreign currency

Transactions in foreign currencies are remeasured to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are remeasured to the functional currency at the foreign exchange rate ruling at that date.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

Notes to the Financial Statements (continued)**For the year ended 31 December 2022**

1. Accounting policies (continued)**1.4 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

The Company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

- computer equipment - 5 years
- leasehold improvement - shorter of 10 years or the remaining lease term
- furniture & fixtures - 5 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

1.5 Intangible assets

Trade names are with indefinite life and are tested for impairment on an annual basis.

Computer software were measured at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Computer software : 5 years

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

1.6 Stocks

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

1.7 Impairment**Non-financial assets**

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Profit and Loss Account. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the Financial Statements (continued)**For the year ended 31 December 2022**

1. Accounting policies (continued)**1.8 Employee benefits***Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.9 Basic Financial instruments*Trade and other debtors / creditors*

Trade and other debtors and trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

1.10 Revenue recognition

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods to customers.

The majority of the Company's revenue is from the sale of goods, and is therefore recognised when the Company has:

- services have been rendered or the delivery has occurred;
- the amount of revenue can be reasonably measured;
- it is probable that the future economic benefits will flow to the entity; and
- the costs incurred, or to be incurred, in relation to the transaction can be reasonably measured.

1.11 Taxation

The tax on profit or loss for the period comprises current and deferred tax. Tax is recognised in the Profit and Loss Account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the Balance Sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates at 25 percent enacted or substantively enacted for financial year 2023.

1.12 Leases

Payments (excluding costs for services and insurance) made under leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation, in which case the payments related to the structured increases are recognised as incurred.

2. Accounting estimates and judgements

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. Due to the nature of the business, the Directors believe critical accounting estimates and judgement used in the preparation of these financial statements are impairment assessment of indefinite life trade name. For discussion of the critical estimate on impairment, see Note 1 Accounting Policies..

Centric Brands International Europe Limited

Company registration number: 13087110

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

3. Intangible asset

	Trade-marks £	Computer software £	Total £
Cost			
At 1 January 2022	1,479,181	74,780	1,553,961
Additions	-	96,967	96,967
At 31 December 2022	1,479,181	171,747	1,650,928
Accumulated Amortisation			
At 1 January 2022	-	-	-
Amortisation for the year	-	31,168	31,168
At 31 December 2022	-	31,168	31,168
Net book value			
At 1 January 2022	1,479,181	74,780	1,553,961
At 31 December 2022	1,479,181	140,579	1,619,760

4. Tangible asset

	Computer equipment £	Furniture & fixtures £	Leasehold improvement £	Total £
Cost				
At 1 January 2022	-	-	-	-
Additions	85,267	21,420	77,137	183,824
At 31 December 2022	85,267	21,420	77,137	183,824
Accumulated Depreciation				
At 1 January 2022	-	-	-	-
Depreciation for the year	10,900	570	8,379	19,849
At 31 December 2022	10,900	570	8,379	19,849
Net book value				
At 1 January 2022	-	-	-	-
At 31 December 2022	74,367	20,850	68,758	163,975

Centric Brands International Europe Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2022

Company registration number: 13087110

5. Stocks

	2022 £	2021 £
Finished goods	<u>1,859,036</u>	<u>1,327,628</u>

6. Debtors

	2022 £	2021 £
Trade debtors	2,089,169	469,147
Prepayment and accrued income	106,108	191,987
VAT receivable	-	457,051
	<u>2,195,277</u>	<u>1,118,185</u>

7. Creditors: amounts falling due within one year

	2022 £	2021 £
Accounts payable	1,844,490	758,107
Amounts owed to group undertakings	3,805,758	4,215,455
Accrued expense	376,483	128,601
Taxation and social security	307,733	-
	<u>6,334,464</u>	<u>5,102,163</u>

Amount owed to group undertakings are unsecured, interest free and repayable on demand.

8. Capital and reserves

Called up share capital

	2022 £	2021 £
Authorised		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>
Allotted, issued and fully paid		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

Called up share capital

The ordinary shares each share carry one voting right.

Profit and loss account

Cumulative profit and loss net of distribution to owners.

Centric Brands International Europe Limited

Company registration number: 13087110

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

9. Related party transaction

The Company has taken advantage of the exemptions granted to wholly owned subsidiaries not to disclose transactions with group companies under the provisions of FRS 102 Section 1A.

10. Immediate parent company and controlling party

The company's immediate parent undertaking is Centric Brands Holding LLC, incorporated and domiciled in United States of America.

The smallest group of which the company is a member and which prepares consolidated accounts is Centric Brands Holding LLC, whose registered office address is at 1209 Orange St, Wilmington, DE 19801 where copies of the consolidated financial statements can be obtained.

11. Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006.

The auditor's report for the year dated 08/09/23 was unqualified.

The senior statutory auditor was David Guest FCA, for and on behalf of UHY Hacker Young (S.E.) Limited.

12. Commitments and contingencies

There are no commitments and contingencies during the current year.

13. Subsequent events

There are no subsequent events to be reported at balance sheet date.