

Company Registration No. 05755179 (England and Wales)



**ARBONNE UK LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2020**

**PAGES FOR FILING WITH REGISTRAR**



# **ARBONNE UK LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**ARBONNE UK LIMITED****STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020**

	Notes	2020 \$	\$	2019 \$	\$
<b>Fixed assets</b>					
Tangible assets	3		21,852		39,079
Investments	4		-		25,100
			<u>21,852</u>		<u>64,179</u>
<b>Current assets</b>					
Debtors	5	844,620		666,356	
Cash at bank and in hand		2,172,751		1,817,906	
		<u>3,017,371</u>		<u>2,484,262</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(3,410,486)</u>		<u>(1,681,787)</u>	
<b>Net current (liabilities)/assets</b>			<u>(393,115)</u>		<u>802,475</u>
<b>Total assets less current liabilities</b>			<u>(371,263)</u>		<u>866,654</u>
<b>Creditors: amounts falling due after more than one year</b>	7		-		(1,412,218)
<b>Net liabilities</b>			<u>(371,263)</u>		<u>(545,564)</u>
<b>Capital and reserves</b>					
Called up share capital			148		148
Profit and loss reserves	8		<u>(371,411)</u>		<u>(545,712)</u>
<b>Total equity</b>			<u>(371,263)</u>		<u>(545,564)</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 10 October 2022 and are signed on its behalf by:

*Kelly Lloyd Sanderson*

K-L Sanderson  
Director

# ARBONNE UK LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital	Profit and loss reserves	Total
	\$	\$	\$
<b>Balance at 1 January 2019</b>	148	(4,306,484)	(4,306,336)
<b>Year ended 31 December 2019:</b>			
Profit for the year	-	4,324,057	4,324,057
Other comprehensive income net of taxation:			
Currency translation differences	-	(563,285)	(563,285)
Total comprehensive income for the year	-	3,760,772	3,760,772
<b>Balance at 31 December 2019</b>	148	(545,712)	(545,564)
<b>Year ended 31 December 2020:</b>			
Profit for the year	-	161,386	161,386
Other comprehensive income net of taxation:			
Currency translation differences	-	12,915	12,915
Total comprehensive income for the year	-	174,301	174,301
<b>Balance at 31 December 2020</b>	148	(371,411)	(371,263)

# ARBONNE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

#### Company information

Arbonne UK Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Unit 16 Basset Court, Loake Close, Grange Park, Northampton, Northamptonshire, NN4 5EZ.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in dollars, which is the presentational currency for consolidation purposes. However, the functional currency of the company is Sterling. 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.

#### Going concern

The company has made a profit in the year but has net current liabilities and net liabilities which mainly reflects the amounts due to the Group.

The management team have prepared cashflow projections to 31 December 2023 and these show there will be sufficient cash, based on expected income and expenditure levels to support the business. The key assumption relates to the cost plus arrangement with the parent and a letter of support is in place from Groupe Rocher agreeing support for at least 12 months from the date of approval of the financial statements.

Based on the cash flow forecasts, and anticipated income and support from Groupe Rocher, the directors have concluded there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods or services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

The majority of turnover is comprised of amounts billed to parent undertakings on a cost plus basis. It is recognised in line with costs incurred which are considered recoverable.

Event income is recognised when the event happens.

#### Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

#### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

# ARBONNE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies (Continued)

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:

Leasehold land and buildings	Straight line over the life of the lease
Fixtures and fittings	20 - 25% straight line
Computers	33% straight line

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 credited or charged to profit or loss.

#### Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### Impairment of fixed assets

At each reporting period 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.

#### Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and 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.

# ARBONNE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies (Continued)

##### **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 and loans to fellow group companies, 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.

##### **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, bank loans and loans from fellow group companies that are classified as debt, 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.

##### **Equity instruments**

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

##### **Taxation**

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 and deferred tax is charged or credited to 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 the net basis or to realise the asset and settle the liability simultaneously.

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.

# ARBONNE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies (Continued)

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.

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

#### Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

#### Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.



# ARBONNE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 2 Employees

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

	2020 Number	2019 Number
Total	25	31

#### 3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	\$	\$	\$
<b>Cost</b>			
At 1 January 2020	245,695	629,079	874,774
Additions	7,938	10,421	18,359
Disposals	(10,029)	-	(10,029)
Exchange adjustments	8,529	22,452	30,981
At 31 December 2020	252,133	661,952	914,085
<b>Depreciation and impairment</b>			
At 1 January 2020	242,146	593,549	835,695
Depreciation charged in the year	3,332	31,590	34,922
Eliminated in respect of disposals	(10,029)	-	(10,029)
Exchange adjustments	7,857	23,788	31,645
At 31 December 2020	243,306	648,927	892,233
<b>Carrying amount</b>			
At 31 December 2020	8,827	13,025	21,852
At 31 December 2019	3,549	35,530	39,079

#### 4 Fixed asset investments

	2020 \$	2019 \$
Shares in group undertakings and participating interests	-	25,100

# ARBONNE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 4 Fixed asset investments (Continued)

#### Movements in fixed asset investments

	Shares in group undertakings \$
<b>Cost or valuation</b>	
At 1 January 2020 & 31 December 2020	25,100
<b>Impairment</b>	
At 1 January 2020	-
Impairment losses	25,100
At 31 December 2020	25,100
<b>Carrying amount</b>	
At 31 December 2020	-
At 31 December 2019	25,100

### 5 Debtors

	2020 \$	2019 \$
<b>Amounts falling due within one year:</b>		
Corporation tax recoverable	379,723	345,937
Amounts owed by group undertakings	252,286	159,517
Other debtors	212,611	160,902
	<u>844,620</u>	<u>666,356</u>

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

	2020 \$	2019 \$
Trade creditors	72,036	112,318
Amounts owed to group undertakings	1,275,517	413,097
Corporation tax	-	1
Other taxation and social security	-	57,577
Other creditors	2,062,933	1,098,794
	<u>3,410,486</u>	<u>1,681,787</u>

# ARBONNE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 7 Creditors: amounts falling due after more than one year

	2020	2019
	\$	\$
Amounts owed to group undertakings	-	1,412,218

### 8 Reserves

#### Profit and loss reserves

The profit and loss account represents the cumulative profits and losses of the group less any distributions made to the owners of the group.

### 9 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	\$	\$
Within one year	18,152	57,380
Between one and five years	191	25,183
	18,343	82,563

### 10 Related party transactions

The Company has taken exemption under FRS 102 from disclosing related party transactions with entities that are part of a group.

### 11 Parent company

The immediate parent company is Arbonne Global Holdings Inc. A company incorporated in the Cayman Islands. LABORATORIES DE BIOLOGIE VEGETALE YVES ROCKER SA was the ultimate parent company as at the balance sheet date. The address of its registered office is 7 Chemin de Bretagne, 92 130 Issy-les-Moulineaux Cedex, France.

The smallest group for which group financial statements are prepared is Arbonne UK Limited and the largest group for which financial statements are prepared is LABORATOIRES DE BIOLOGIE VEGETALE YVES ROCHER SA.

### 12 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 was unqualified.

The senior statutory auditor was Irene Hambleton BAcc CA.  
The auditor was RSM UK Audit LLP.