

Company Registration No. 07867765 (England and Wales)

ADRIANNA PAPELL UK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016
PAGES FOR FILING WITH REGISTRAR

FRIDAY



A6FIF5CP

A26

22/09/2017

#20

COMPANIES HOUSE

ADRIANNA PAPELL UK LIMITED

COMPANY INFORMATION

Directors	J Berkman Lipman A Berkman J May
Company number	07867765
Registered office	1st Floor West Wing Davidson House Forbury Square Reading Berkshire RG1 3EU
Auditor	RSM UK Audit LLP Chartered Accountants Davidson House Forbury Square Reading Berkshire RG1 3EU
Business address	Second Floor 6 Greenland Place Camden London NW1 0AP

ADRIANNA PAPELL UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

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.

ADRIANNA PAPELL UK LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Notes	2016 £	£	2015 £	£
Fixed assets					
Intangible assets	4		31,230		56,907
Tangible assets	5		20,814		46,082
			<u>52,044</u>		<u>102,989</u>
Current assets					
Stocks		791,193		954,340	
Debtors	6	773,579		1,187,052	
Cash at bank and in hand		568,431		255,133	
		<u>2,133,203</u>		<u>2,396,525</u>	
Creditors: amounts falling due within one year	7	<u>(2,939,164)</u>		<u>(2,588,020)</u>	
Net current liabilities			<u>(805,961)</u>		<u>(191,495)</u>
Total assets less current liabilities			<u><u>(753,917)</u></u>		<u><u>(88,506)</u></u>
Capital and reserves					
Called up share capital	8		2		2
Profit and loss reserves			<u>(753,919)</u>		<u>(88,508)</u>
Total equity			<u><u>(753,917)</u></u>		<u><u>(88,506)</u></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 7th September 2017 and are signed on its behalf by:



A Berkman
Director

ADRIANNA PAPELL UK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2015	2	55,282	55,284
Year ended 31 December 2015:			
Loss and total comprehensive income for the year	-	(143,790)	(143,790)
Balance at 31 December 2015	2	(88,508)	(88,506)
Year ended 31 December 2016:			
Loss and total comprehensive income for the year	-	(665,411)	(665,411)
Balance at 31 December 2016	2	(753,919)	(753,917)

ADRIANNA PAPELL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Adrianna Papell UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1st Floor West Wing, Davidson House, Forbury Square, Reading, Berkshire, RG1 3EU.

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 sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

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

These financial statements are the first financial statements of Adrianna Papell UK Limited prepared in accordance with FRS 102. The financial statements of Adrianna Papell UK Limited for the year ended 31 December 2015 were prepared in accordance with the Financial Reporting Standards for Smaller Entities (effective January 2015).

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from the Financial Reporting Standards for Smaller Entities (effective January 2015). Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in equity at the transition date and are detailed in note 12.

Going concern

The company generated a loss for the year of £665,411 (2015: £143,790) and has a deficit as at 31 December 2016 of £753,917 (2015: £88,506). The directors have obtained written confirmation from the ultimate parent company, Adrianna Papell LLC, that they will not withdraw existing funds and will provide additional funding for a period of not less than 12 months from the date of signing these financial statements to enable the company to continue to trade and meet its obligations as they fall due. The directors are confident that this promised support will be forthcoming.

On this basis, the directors have a reasonable expectation that the company will have adequate resources to enable it to continue trading as a going concern. The directors have therefore adopted the going concern basis of preparation in preparing these financial statements. These financial statements do not contain any adjustments which may arise if the promised support from Adrianna Papell LLC is withdrawn.

ADRIANNA PAPELL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Turnover

The turnover shown in the statement of comprehensive income represents sales by the company to third parties less returns received, at selling price exclusive of Value Added Tax.

Concession and wholesale sales are recognised at the point at where significant risks and rewards of ownership have passed to the buyer, which is generally when goods are purchased by the customer.

Income derived from operating leases is credited to revenue on a straight line basis over the lease term.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation 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:

Software	33% straight line
----------	-------------------

Tangible fixed assets

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

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	33% straight line
Fixtures and fittings	50% 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.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

ADRIANNA PAPELL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Stocks

Stocks 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 stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

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.

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.

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.

ADRIANNA PAPELL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

¹ Accounting policies (Continued)

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 period.

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.

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.

Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Rentals payable under operating leases, including any lease incentives received, are charged as an expense 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 lease asset are consumed.

ADRIANNA PAPELL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

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.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 28 (2015 - 36).

3 Directors' remuneration

	2016 £	2015 £
Remuneration paid to directors	4,200	2,800

4 Intangible fixed assets

	Other £
Cost	
At 1 January 2016 and 31 December 2016	59,267
Amortisation and impairment	
At 1 January 2016	2,360
Amortisation charged for the year	25,677
At 31 December 2016	28,037
Carrying amount	
At 31 December 2016	31,230
At 31 December 2015	56,907

ADRIANNA PAPELL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

5 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2016	30,330	198,744	229,074
Additions	16,640	5,173	21,813
At 31 December 2016	46,970	203,917	250,887
Depreciation and Impairment			
At 1 January 2016	17,978	165,014	182,992
Depreciation charged in the year	12,883	34,198	47,081
At 31 December 2016	30,861	199,212	230,073
Carrying amount			
At 31 December 2016	16,109	4,705	20,814
At 31 December 2015	12,352	33,730	46,082

6 Debtors

	2016	2015
	£	£
Amounts falling due within one year:		
Trade debtors	659,338	1,100,967
Amounts due from group undertakings	-	12,534
Other debtors	114,241	73,551
	773,579	1,187,052

7 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	291,990	385,075
Amounts due to group undertakings	2,311,111	1,934,266
Other taxation and social security	23,330	23,560
Other creditors	312,733	245,119
	2,939,164	2,588,020

ADRIANNA PAPELL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

8 Called up share capital

	2016 £	2015 £
Ordinary share capital Issued and fully paid 2 Ordinary shares of £1 each	2	2

The shares have attached to them full voting rights, dividend and capital distribution, including on winding up and rights and are not redeemable.

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:

	2016 £	2015 £
Within one year	78,073	78,073
Between one and five years	117,109	195,182
	<u>195,182</u>	<u>273,255</u>

10 Related party transactions

During the year, the company made purchases of £26,987 (2015: £158,491) from Absolute HR Solutions Limited, a company which is owned by J May, a director of Adrianna Papell UK Limited. At the year end £1,536 (2015: £8,000) was outstanding and is included within creditors.

11 Parent company

The directors regard Adrianna Papell LLC (registered office: 500 7th Avenue, 10th Floor, New York, NY 10018) to be the immediate and ultimate parent company. According to the register kept by the company, Adrianna Papell LLC has a 100% interest in the equity capital of Adrianna Papell UK Limited at 31 December 2016.

Adrianna Papell LLC heads the smallest and largest group for which consolidated financial statements are prepared. The consolidated financial statements of Adrianna Papell LLC are available to the public and may be obtained from Adrianna Papell LLC, 500 7th Avenue, 10th Floor, New York, NY 10018.

12 Reconciliations on adoption of FRS 102

Under previous UK GAAP software costs were classified as tangible assets, however, under FRS 102 software costs are classified as intangible assets. Therefore on transition, software costs with a net book value of £56,907 were reclassified as intangible assets.

There were no adjustments on adoption of FRS 102 that had an effect on the company's equity and therefore no reconciliation of equity has been presented.

ADRIANNA PAPELL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

13 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 Mayulee Pinkerton CA.

The auditor was RSM UK Audit LLP.