

Company registration number 07867765 (England and Wales)

ADRIANNA PAPELL UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
PAGES FOR FILING WITH REGISTRAR

ADRIANNA PAPELL UK LIMITED

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ADRIANNA PAPELL UK LIMITED**GROUP BALANCE SHEET****AS AT 31 DECEMBER 2022**

	Notes	2022 £	£	2021 £	£
Fixed assets					
Intangible assets	5		-		-
Tangible assets	6		11,948		22,536
Current assets					
Stocks		1,081,877		991,753	
Debtors	9	541,277		474,110	
Cash at bank and in hand		1,116,279		753,235	
		<u>2,739,433</u>		<u>2,219,098</u>	
Creditors: amounts falling due within one year	10	<u>(596,361)</u>		<u>(688,834)</u>	
Net current assets			2,143,072		1,530,264
Total assets less current liabilities			2,155,020		1,552,800
Creditors: amounts falling due after more than one year	11		<u>(3,055,038)</u>		<u>(2,624,631)</u>
Net liabilities			<u>(900,018)</u>		<u>(1,071,831)</u>
Capital and reserves					
Called up share capital			2		2
Profit and loss reserves			<u>(900,020)</u>		<u>(1,071,833)</u>
Total equity			<u>(900,018)</u>		<u>(1,071,831)</u>

The directors of the group have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 28 July 2023 and are signed on its behalf by:

A Berkman
Director

Company registration number 07867765 (England and Wales)

ADRIANNA PAPELL UK LIMITED**COMPANY BALANCE SHEET****AS AT 31 DECEMBER 2022**

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	6		11,948		22,536
Investments	7		2,580		2,580
			<u>14,528</u>		<u>25,116</u>
Current assets					
Stocks		1,081,877		991,753	
Debtors	9	1,188,748		436,674	
Cash at bank and in hand		450,700		753,235	
		<u>2,721,325</u>		<u>2,181,662</u>	
Creditors: amounts falling due within one year	10	<u>(538,585)</u>		<u>(688,369)</u>	
Net current assets			<u>2,182,740</u>		<u>1,493,293</u>
Total assets less current liabilities			<u>2,197,268</u>		<u>1,518,409</u>
Creditors: amounts falling due after more than one year	11		<u>(3,055,038)</u>		<u>(2,624,631)</u>
Net liabilities			<u><u>(857,770)</u></u>		<u><u>(1,106,222)</u></u>
Capital and reserves					
Called up share capital			2		2
Profit and loss reserves			<u>(857,772)</u>		<u>(1,106,224)</u>
Total equity			<u><u>(857,770)</u></u>		<u><u>(1,106,222)</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £248,452 (2021 - £77,154 loss).

These financial statements have been prepared 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 28 July 2023 and are signed on its behalf by:

A Berkman
Director

Company registration number 07867765 (England and Wales)

ADRIANNA PAPELL UK LIMITED

**GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2021	2	(1,029,070)	(1,029,068)
Year ended 31 December 2021:			
Loss and total comprehensive income for the year	-	(42,763)	(42,763)
Balance at 31 December 2021	2	(1,071,833)	(1,071,831)
Year ended 31 December 2022:			
Profit and total comprehensive income for the year	-	171,813	171,813
Balance at 31 December 2022	2	(900,020)	(900,018)

ADRIANNA PAPELL UK LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2021	2	(1,029,070)	(1,029,068)
Year ended 31 December 2021:			
Loss and total comprehensive income for the year	-	(77,154)	(77,154)
Balance at 31 December 2021	2	(1,106,224)	(1,106,222)
Year ended 31 December 2022:			
Profit and total comprehensive income for the year	-	248,452	248,452
Balance at 31 December 2022	2	(857,772)	(857,770)

ADRIANNA PAPELL UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Adrianna Papell UK Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Ground Floor, 2 The Beacons, Beaconsfield Road, Hatfield, Hertfordshire, AL10 8RS.

The group consists of Adrianna Papell UK Limited and all of its subsidiaries.

1.1 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 £.

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

1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Adrianna Papell UK Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1.3 Going concern

As at 31 December 2022 the group was in net liabilities position. The financial statements have been prepared on the going concern basis as the company's parent company, Adrianna Papell, LLC, has provided written confirmation of their intention to provide continued financial support to the company and the group for the foreseeable future, defined as at least twelve months from the date of signing the financial statements.

Adrianna Papell, LLC has prepared wider group forecasts covering a period of at least twelve months from the date of approval of these financial statements which take into consideration the inflation and cost of living crisis on the wider group's operations. These forecasts indicate that the wider group has sufficient funding and resources available to it to enable it to meet its forecasted operating expenditure for at least twelve months from the date of signing these financial statements. On this basis, the directors consider it appropriate to prepare these financial statements on the going concern basis.

ADRIANNA PAPELL UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods sold in the normal course of business, and is shown net of returns, VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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

1.5 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 where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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
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1.6 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.

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	50% straight line
Land and buildings	Straight line over the life of the lease

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 profit and loss account.

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

ADRIANNA PAPELL UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. 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.

1.9 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.

Stocks 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.

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.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets 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.

ADRIANNA PAPELL UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.11 Financial instruments

The group 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 in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, 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 have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

ADRIANNA PAPELL UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares 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. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the group are recorded at the 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 group.

1.13 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 profit and loss account 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing 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 profit and loss account, 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 if, and only if, there is 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.

ADRIANNA PAPELL UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.14 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.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	27,388	16,628

3 Employees

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

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Total	8	9	8	9

4 Directors' remuneration

	2022	2021
	£	£
Remuneration paid to directors	157,631	115,065

ADRIANNA PAPELL UK LIMITED**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022****5 Intangible fixed assets**

Group	Other £
Cost	
At 1 January 2022 and 31 December 2022	68,600
Amortisation and impairment	
At 1 January 2022 and 31 December 2022	68,600
Carrying amount	
At 31 December 2022	-
At 31 December 2021	-
Company	Other £
Cost	
At 1 January 2022 and 31 December 2022	68,600
Amortisation and impairment	
At 1 January 2022 and 31 December 2022	68,600
Carrying amount	
At 31 December 2022	-
At 31 December 2021	-

ADRIANNA PAPELL UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

6 Tangible fixed assets

Group	Plant and machinery etc	Land and buildings	Total
	£	£	£
Cost			
At 1 January 2022	227,303	105,775	333,078
Disposals	(207,755)	(59,267)	(267,022)
At 31 December 2022	19,548	46,508	66,056
Depreciation and impairment			
At 1 January 2022	225,069	85,473	310,542
Depreciation charged in the year	1,287	9,301	10,588
Eliminated in respect of disposals	(207,755)	(59,267)	(267,022)
At 31 December 2022	18,601	35,507	54,108
Carrying amount			
At 31 December 2022	947	11,001	11,948
At 31 December 2021	2,234	20,302	22,536
Company	Plant and machinery etc	Land and buildings	Total
	£	£	£
Cost			
At 1 January 2022	227,303	105,775	333,078
Disposals	(207,755)	(59,267)	(267,022)
At 31 December 2022	19,548	46,508	66,056
Depreciation and impairment			
At 1 January 2022	225,069	85,473	310,542
Depreciation charged in the year	1,287	9,301	10,588
Eliminated in respect of disposals	(207,755)	(59,267)	(267,022)
At 31 December 2022	18,601	35,507	54,108
Carrying amount			
At 31 December 2022	947	11,001	11,948
At 31 December 2021	2,234	20,302	22,536

ADRIANNA PAPELL UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

7 Fixed asset investments

	Group 2022 £	2021 £	Company 2022 £	2021 £
Shares in group undertakings and participating interests	-	-	2,580	2,580
	-	-	2,580	2,580

Movements in fixed asset investments Company

	Shares in subsidiaries £
Cost or valuation	
At 1 January 2022 and 31 December 2022	2,580
Carrying amount	
At 31 December 2022	2,580
At 31 December 2021	2,580

8 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Adrianna Papell SL	Calle Orense, 4, Second floor, 28020 Madrid, Spain	Ordinary	100.00

9 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
Amounts falling due within one year:				
Trade debtors	508,827	441,857	193,839	332,256
Amounts owed by group undertakings	-	-	962,459	72,165
Other debtors	32,450	32,253	32,450	32,253
	541,277	474,110	1,188,748	436,674

ADRIANNA PAPELL UK LIMITED**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****10 Creditors: amounts falling due within one year**

	Group 2022 £	2021 £	Company 2022 £	2021 £
Trade creditors	353,756	474,043	353,756	474,043
Taxation and social security	141,374	71,120	83,598	71,120
Other creditors	101,231	143,671	101,231	143,206
	<u>596,361</u>	<u>688,834</u>	<u>538,585</u>	<u>688,369</u>

11 Creditors: amounts falling due after more than one year

	Group 2022 £	2021 £	Company 2022 £	2021 £
Other creditors	<u>3,055,038</u>	<u>2,624,631</u>	<u>3,055,038</u>	<u>2,624,631</u>

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 auditor was CBW Audit Limited.

13 Operating lease commitments

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

Group 2022 £	2021 £	Company 2022 £	2021 £
<u>59,149</u>	<u>97,161</u>	<u>59,149</u>	<u>97,161</u>

14 Related party transactions

The company and the group has taken advantage of the exemption available in FRS 102 "Related Party disclosures" Section 33.1A whereby it has not disclosed transactions or balances entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

ADRIANNA PAPELL UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

15 Controlling party

The directors regard Adrianna Papell, LLC, which has its registered office at 500 Seventh Avenue, 10th Floor, New York, NY 10018, USA, to be the immediate parent company and Adrianna Papell Holdings, LLC, which has its registered office at 251 Little Falls Drive, Wilmington, New Castle, DE 19808, USA, to be the ultimate parent company.

Adrianna Papell, LLC heads the smallest and largest group for which consolidated financial statements are prepared which include this entity. A copy of their consolidated financial statements can be requested from their registered office.

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.