

Cabi Experience, Ltd.

Registered number: 10091265

Annual report

For the year ended 31 December 2020



CABI EXPERIENCE, LTD.

COMPANY INFORMATION

Directors

K Malone
K Inskeep
G Abel
E Boyer

Registered number

10091265

Registered office

Highlands House
Basingstoke Road
Spencers Road
Reading
United Kingdom
RG7 1NT

Independent auditor

Mazars LLP
Chartered Accountants & Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

CABI EXPERIENCE, LTD.

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CABI EXPERIENCE, LTD.

DIRECTORS' REPORT
For the year ended 31 December 2020

The directors present their report and the audited financial statements for the year ended 31 December 2020.

Principal activity

The Company's principal activity is the sale of women's apparel, accessories, and related products which are sold directly to consumers through an independent sales force.

Results and dividends

The loss for the year, after taxation, amounted to £112,000 (2019: loss of £485,000).

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2020 (2019: £nil).

Directors

The directors who served during the year and up to the date of this report were:

B L Ripperger (resigned 31 January 2022)

D A Waddell (resigned 5 June 2020)

K Malone (appointed 5 June 2020)

K Inskeep

G Abel (appointed 31 January 2022)

E Boyer (appointed 31 January 2022)

Going concern

During the initial trading period, the directors have utilised inter-company borrowings from the ultimate parent group to provide working capital and cover initial costs incurred. The directors have received assurances from the parent group that adequate continued lending will be made available to the Company to enable it to continue to trade in the UK market for the foreseeable future, and at least for the 12 months following the date of approval of these financial statements. Further details are in Note 2.2.

The withdrawal of the United Kingdom from the European Union

New trading arrangements between the United Kingdom and the European Union took effect on 31 December 2020. In general, tariffs and quotas on trade have not been introduced, although administrative complications and regulatory restrictions have reduced the freedom of cross-border trade. The Company is carefully monitoring the practical application of the new trading arrangements by regulatory authorities, to better understand what the eventual impact on its business will be. The process of determining these effects is ongoing, and has also been delayed by the suspension of certain sectors of economic activity in response to the COVID-19 pandemic.

Economic impact of the COVID-19 pandemic

The COVID-19 pandemic continues to affect the UK and global economies however the recent lifting of social restrictions by the government means the directors anticipate the UK and global economies to return to growth in due course. It is not possible to predict how quickly and to what degree this may happen. The priorities of the directors remain to comply with any remaining regulatory requirements to the fullest extent possible, and to maintain the safety and well-being of the Company's personnel.

DIRECTORS' REPORT (CONTINUED)
For the year ended 31 December 2020

Post balance sheet events

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The directors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event. There is not an immediate impact on the business, longer term impacts are uncertain.

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 to 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.

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed 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 ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

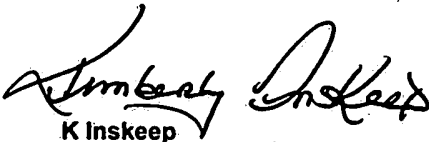
CABI EXPERIENCE, LTD.

DIRECTORS' REPORT (CONTINUED)
For the year ended 31 December 2020

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:


K Inskeep
Director

Date: April 8, 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CABI EXPERIENCE, LTD.

Opinion

We have audited the financial statements of Cabi Experience, Ltd. (the 'Company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 directors' 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 directors 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 directors are 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.

CABI EXPERIENCE, LTD.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CABI EXPERIENCE, LTD.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 the audit:

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

Matters on which we are required to report by exception

In 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 Directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CABI EXPERIENCE, LTD.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are 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 directors determine 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 directors are 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 either the directors intend to liquidate the Company or to cease operations, or have 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. Based on our understanding of the Company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

CABI EXPERIENCE, LTD.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CABI EXPERIENCE, LTD.

Our audit procedures in relation to fraud included but were not limited to:

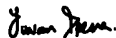
- making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit 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.



Yuvan Deena (Apr 12, 2022 11:10 GMT+1)

Yuvan Deena (Senior statutory auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

Date: Apr 12, 2022

CABI EXPERIENCE, LTD.

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2020

	Note	2020 £000	2019 £000
Turnover		709	928
Cost of sales		(427)	(488)
Gross profit		<u>282</u>	<u>440</u>
Distribution costs		(394)	(680)
Administrative expenses		(105)	(216)
Other operating income/(expense)		105	(29)
Operating loss		<u>(112)</u>	<u>(485)</u>
Loss before tax		<u>(112)</u>	<u>(485)</u>
Tax on loss		-	-
Loss for the financial year		<u>(112)</u>	<u>(485)</u>
Other comprehensive income		-	-
Total comprehensive loss for the year		<u>(112)</u>	<u>(485)</u>

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The notes on pages 11 to 15 form part of these financial statements.

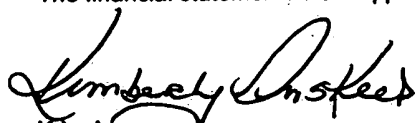
CABI EXPERIENCE, LTD.
Registered number: 10091265

STATEMENT OF FINANCIAL POSITION
As at 31 December 2020

	Note	2020 £000	2019 £000
Current assets			
Debtors: amounts falling due within one year	4	-	36
Cash and cash equivalents		173	157
		<u>173</u>	<u>193</u>
Creditors: amounts falling due within one year	5	(1,536)	(1,444)
Net current liabilities		<u>(1,363)</u>	<u>(1,251)</u>
Total assets less current liabilities		<u>(1,363)</u>	<u>(1,251)</u>
Net liabilities		<u>(1,363)</u>	<u>(1,251)</u>
Capital and reserves			
Share capital	6	-	-
Profit and loss account		(1,363)	(1,251)
Total equity		<u>(1,363)</u>	<u>(1,251)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


K Inskip
Director

Date: April 8, 2022

The notes on pages 11 to 15 form part of these financial statements.

CABI EXPERIENCE, LTD.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2020

	Share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2019 (as previously stated)	-	(705)	(705)
Prior year adjustment	-	(61)	(61)
	-	(766)	(766)
At 1 January 2019 (as restated)			
Comprehensive loss for the year			
Loss for the year	-	(485)	(485)
Total comprehensive loss for the year	-	(485)	(485)
At 1 January 2020	-	(1,251)	(1,251)
Comprehensive loss for the year			
Loss for the year	-	(112)	(112)
Total comprehensive loss for the year	-	(112)	(112)
At 31 December 2020	-	(1,363)	(1,363)

The notes on pages 11 to 15 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

1. General information

Cabi Experience, Ltd (the "Company"), is a company incorporated in Great Britain and registered in England and Wales, with registration number 10091265. The registered office is Highlands House, Basingstoke Road, Spencers Wood, Reading, RG7 1NT.

The Company's principal activity is the sale of women's apparel, accessories, and related products which are sold directly to consumers through an independent sales force.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements have been presented in Pounds Sterling as this is the currency of the primary economic environment in which the Company operates, and are currently rounded to the nearest thousand pounds.

The following principal accounting policies have been applied:

2.2 Going concern

Notwithstanding net current liabilities of £1,363,651 as at 31 December 2020 (2019: £1,251,642) and a loss for the year then ended of £112,160 (2019: £485,447), the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have considered 12 months from the date of approval of these financial statements and the company will have sufficient funds, through funding from its ultimate parent company, Cabi Holding Co., LLC to meet its liabilities as they fall due for that period.

The above conclusion is dependent on Cabi Holding Co., LLC providing additional financial support during that period. Cabi Holding Co., LLC has indicated its intention to continue to make available such funds as are needed by the Company for at least the next 12 months.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and consequently have prepared the financial statements on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentation currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

2.5 Taxation

Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2.6 Debtors: amounts falling due within one year

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

2. Accounting policies (continued)

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Creditors: amounts falling due within one year

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

3. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2019: £nil).

4. Debtors

	2020	2019
	£000	£000
Trade debtors	-	10
Prepayments and accrued income	-	26
	<u>-</u>	<u>36</u>

5. Creditors: Amounts falling due within one year

	2020	2019
	£000	£000
Trade creditors	8	7
Amounts owed to group undertakings	1,412	1,276
Other taxation and social security	25	41
Other creditors	1	2
Accruals and deferred income	90	118
	<u>1,536</u>	<u>1,444</u>

The Company has a loan with Cabi LLC, a related party, which accrued interest of 0% (2019: 0%) per annum. Loan interest of £nil (2019: £nil) has been recognised in the Statement of Comprehensive Income for the period ended 31 December 2020. This loan does not carry fixed terms of repayment, but the parent group company has indicated its intention to provide the necessary financial resources to enable the Company to continue to meet its liabilities for the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

6. Share capital

	2020	2019
	£000	£000
Allotted, called up and fully paid		
10,000 (2019: 10,000) Ordinary shares of £0.01 each	-	-
	<u> </u>	<u> </u>

Ordinary shares entitle each holder to one voting right and no right to fixed income.

7. Related party transactions

There were no related party transactions during the year.

8. Post balance sheet events

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The directors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event. There is not an immediate impact on the business, longer term impacts are uncertain.

9. Controlling party

cabi Parent Co. LLC, a company incorporated in Delaware (United States); is the immediate parent company. Cabi Holding Co., LLC is the parent company of the smallest and largest group of which the Company is a member and for which group financial statements are drawn up. Copies of the consolidated group financial statements are available from 21750 Arnold Center Road, Carson, California 90810.