

Odoram Limited

Company registration No. 10832255

Audited Financial statements for the year ended 31 December 2019

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Odoram Limited

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**Company information
for the year ended 31 December 2019
Odoram Limited**

1. Directors:

M. Capello
E. Di Spiezio Sardo
M. Anatriello
C. Rojahn
M. Saracchi

2. Registered number:

10832255 (England and Wales) Private Company, Limited by Shares

3. Registered office:

Eagle House, 5th Floor 108-110 Jermyn Street, London, SW1Y 6EE

4. Independent Auditor:

Deloitte LLP, Hill House, 1 Little New Street, London, EC4A 3TR

5. Bankers:

RBSI, 71 Bath Street, St Helier, Jersey, JE4 8PJ

Strategic Report
for the year ended 31 December 2019
Odoram Limited

The Directors present the strategic report and financial statements for the year ended 31 December 2019.

Business review of the Company

Results and performance

The results of the company for the period ended 31 December 2019 show a loss on ordinary activities before tax of EUR 129,361, in the previous year loss on ordinary activities before tax was EUR 80,184. Shareholders funds for the company total EUR 20,500,223, last year it was EUR 20,629,584. The results of the company are on page 9 and 10.

The company continued to act as a holding company and as such the results were driven by an increase in administrative expenses. There has been no movement on the investment. As a holding company, the directors consider that there are no key performance indicators beyond profit or loss before tax and shareholders' equity, which are disclosed in the statement of comprehensive income and statement of financial position respectively.

Principal risks and uncertainties

Given that the company is used primarily as a holding company, the risks associated with its success relate to credit risk on cash and impairment risk on the investment in subsidiary. Credit risk is mitigated by the company by using counterparties that are banks with high credit-ratings assigned by international credit-rating agencies. Impairment risk is managed by continuously monitoring the financial performance of the underlying subsidiary.

This report was approved by the board of directors on 21 December 2020 and signed on its behalf by:



Emilio Di Spiezio Sardo
Director
5th Floor Eagle House
108 - 110 Jermyn Street
London
SW1Y 6EE

**Directors' report
for the year ended 31 December 2019
Odoram Limited**

The directors present their annual report and the audited financial statements of Odoram Limited ("the Company") for the period ended 31 December 2019.

The company was incorporated on 22 June 2017, in England and Wales, United Kingdom. They are presented in EUR and this is also the functional currency.

Principal activity and place of business

The principal activity of the company is to act as a holding company for Dr Vranjes Firenze Spa, the operational company based in Florence, Italy.

Results and dividends

The results for the period are shown on page 9 and 10. The loss for the period was EUR 129,361 (2018: EUR 80,184). No dividends were declared or paid during the period (2018: none).

Going concern

The directors consider that the company has adequate financial resources for one year following the approval of the accounts. The company is primarily a holding company and will have minimal expenses going forward. Any required funding will be calculated annually and received from BlueGem II LP as the investment vehicle. Accordingly, the directors have adopted the going concern basis in preparing the annual report and financial statements.

The directors have considered the potential impact of Covid-19 on the company. Since the company is primarily a holding company for the underlying investment they do not expect Covid-19 to negatively impact the company.

The directors

The following persons served as directors during the period and up to the date of this report:

M. Capello (Resigned 5 October 2020)
E. Di Spiezio Sardo
M. Anatriello (Resigned 5 October 2020)
C. Rojahn
M. Saracchi (appointed 12 March 2020)

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of the section 418 of the Companies Act 2006.

Directors' report
for the year ended 31 December 2019
Odoram Limited

Financial risks

Financial risk management is a strategic matter and as such is covered in the strategic report.

Future developments

The company will continue to act as a holding company for the Dr Vranjes group.

Subsequent Events

In March, the Covid-19 emergency upset business plans and forced the group to substantially review its activities. The Board of Directors promptly pursued in the first place the goal of ensuring the safety and health of workers and customers, slavishly respecting the provisions of the regulatory measures issued.

Estimates of the economic and financial damage that the global crisis resulting from the pandemic will cause for the Company provide that the Company may end the 2020 financial year with a slight turnover increase. Given the uncertainty about the duration of the crisis and the low indebtedness, the Directors decided to turn to credit institutions to obtain additional finance, for an additional financial leverage of around 6 million euros.

The Directors, therefore, after carrying out the appropriate analyzes and evaluating all the information currently in existence, believe that the going concern assumption is valid and must be reflected in the assessments underlying the preparation of the financial statements at 31 December 2019.

On 30/04/2020 the subsidiary of Dr. Vranjes Firenze, Dierrevi Solutions S.r.l. it was closed for business and operational reasons. Dr. Vranjes Firenze had already made provision in the financial statements to allocate a specific provision for bad debts for intercompany receivables, there are no effects not reflected in these Financial Statements.

Auditors

Deloitte LLP was reappointed as the Company's auditors during the period.

This report was approved by the board of directors on 21 December 2020 and signed on its behalf by:



Emilio Di Spiezio Sardo
Director
5th Floor Eagle House
108 - 110 Jermyn Street
London
SW1Y 6EE

**Directors' responsibilities statement
for the year ended 31 December 2019
Odoram Limited**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the audited 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the directors by:



Emilio Di Spiezio Sardo
Director
21st December 2020

**Independent auditor's report to the members of Odoram Limited
for the year ended 31 December 2019
Report on the audit of the financial statements**

Opinion

In our opinion the financial statements of Odoram Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 10.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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 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 respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Independent auditor's report to the directors of Odoram Limited
for the year ended 31 December 2019
Report on the audit of the financial statements**

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.

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

Report on other legal and regulatory requirements

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.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept; 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

We have nothing to report in respect of these matters.

Use of our 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.



For and on behalf of Deloitte LLP

Ghorzang Aziz (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
21 December 2020

**Statement of comprehensive income
for the year to 31 December 2019
Odoram Limited**

	Note	Year ended 31 December 2019 EUR	Year ended 31 December 2018 EUR
Turnover		-	-
Administrative expenses		(126,856)	(79,454)
OPERATING LOSS	6	(126,856)	(79,454)
Bank interest receivable		-	-
Fx loss		(1,574)	(21)
Interest expense		(931)	(709)
LOSS BEFORE TAXATION		(129,361)	(80,184)
Taxation	7	-	-
LOSS AND TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		(129,361)	(80,184)

This statement is to be read in conjunction with the notes to the financial statements on pages 12 - 15.

There were no recognised gains or losses in either year other than those included in the profit for the financial year and therefore no separate statement of other comprehensive income has been presented.

All results relate to continuing activities.

Statement of financial position
as at 31 December 2019
Odoram Limited

		2019	2018
		EUR	EUR
Assets	Notes		
Fixed assets			
Investments	2	20,607,568	20,607,568
Total fixed assets		20,607,568	20,607,568
Current assets			
Debtors: amounts falling due within one year	3	0	1
Cash at bank and in hand		203,740	236,157
Total current assets		203,740	236,158
Total assets		20,811,308	20,843,726
Current liabilities			
Creditors: amounts falling due within one year	4	(311,085)	(214,142)
Total liabilities		(311,085)	(214,142)
Net assets		20,500,223	20,629,584
Capital and Reserves			
Called up Share Capital	5	23,597	23,597
Capital Contribution reserve	5	23,572,350	23,572,350
Profit and loss account		(3,095,724)	(2,966,363)
Total capital and reserves		20,500,223	20,629,584
Total shareholders' equity		20,500,223	20,629,584

This statement is to be read in conjunction with the notes to the financial statements on pages 12 - 15.



Emilio Di Spiezio Sardo
Director
21 December 2020

**Statement of changes in equity
for the year to 31 December 2019
Odoram Limited**

Equity attributable to equity holders of Odoram Limited

	Notes	Share capital	Capital Contribution Reserve	Retained earnings	Total
		EUR	EUR	EUR	EUR
Opening balance		23,597	23,572,350	(2,886,179)	20,709,768
Issue of share capital	5	-	-	-	-
Capital contributed	5	-	-	-	-
Loss during the period		-	-	(80,184)	(80,184)
Balance at 31 December 2018		23,597	23,572,350	(2,966,363)	20,629,584
Opening balance	5	23,597	23,572,350	(2,966,363)	20,629,584
Issue of share capital		-	-	-	-
Capital contributed		-	-	-	-
Loss during the period		-	-	(129,361)	(129,361)
Balance at 31 December 2019		23,597	23,572,350	(3,095,724)	20,500,223

Notes to the financial statements for the year ended 31 December 2019 Odoram Limited

1. Statement of Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

Basis of preparation of financial statements

These financial statements have been prepared on a going concern basis and in accordance with applicable law and United Kingdom Accounting Standards, in particular, Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101') and the Companies Act 2006. The financial statements are prepared under the historical cost convention.

Odoram Limited (the 'Company') is a private company limited by shares and is incorporated, domiciled and registered in England and Wales (Registered Number: 10832255). The nature of the Company's operations is set out in the Directors' Report. The results of the Company are included in the consolidated financial statements of Nidoram Limited which are available from the company's registered office at 16 Berkeley Street, London, W1J 8DZ, United Kingdom.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2019. The financial statements are prepared in Euros which is both the functional and presentational currency. The functional currency of the Company is considered to be Euros because Italy is the primary economic environment in which the company operates.

The financial statements present information about the Company as an individual undertaking and not about its group. The Company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary of Nidoram Limited, a company registered in England and Wales whose financial statements are publicly available.

Exemptions from disclosures

The following exemptions from the disclosure requirements of IFRS have been applied in the preparation of these Financial Statements in accordance with FRS101:

- (a) Paragraph 10(d) of IAS 1, 'Presentation of financial statements' to provide a Statement of Cash flows for the period; and
- (b) Paragraph 16 of IAS 1, 'Presentation of financial statements' to provide a statement of compliance with IFRS;

- (c) The requirements of IAS 24, 'Related Party Disclosures' to disclose related party transactions entered into between two or members of a group provided that any subsidiary which is a related party to a transaction is wholly owned by such as a member;

- (d) The requirements of paragraph 17 of IAS 24, 'Related Party Disclosures' to disclose key management personnel compensation;

- (e) IAS 7 'Statement of Cash flows';

- (f) The requirements of IFRS7, 'Financial Instruments: Disclosures'.

**Notes to the financial statements
for the year ended 31 December 2019
Odoram Limited**

Summary of significant accounting policies

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Debtors

Debtors are initially recognised at fair value less attributable transaction costs. Subsequent to initial recognition, debtors are recognised at amortised cost. The Group recognises lifetime expected credit losses (ECL) for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Creditors

Trade and other creditors are initially recognised at fair value less transaction costs, if any. They are subsequently recognised at amortised cost.

Administrative expenses

Administrative expenses consists of operating expenses and recorded on an accruals basis.

Foreign currency transactions

Foreign currency transactions are converted at the rate of exchange prevailing on the day of the transaction. Foreign currency transactions on the balance sheet are revalued at the end of each month at the rate of exchange prevailing on the last day of that month.

Going concern

The directors consider that the company has adequate financial resources for one year following the approval of the accounts. The company is primarily a holding company and will have minimal expenses going forward. Any required funding will be calculated annually and received from BlueGem II LP as the investment vehicle. Accordingly, the directors have adopted the going concern basis in preparing the annual report and financial statements.

The directors have considered the potential impact of Covid-19 on the company. Since the company is primarily a holding company for the underlying investment they do not expect Covid-19 to negatively impact the company.

Critical accounting judgements and key sources of estimation uncertainty

The directors consider the only material accounting judgement to relate to the impairment of the investment. The directors consider annually whether any impairment is required by assessing the carrying value of the investment against the fair value and business performance of the underlying investment. The directors do not consider there to be any other material accounting judgements or significant sources of uncertainty impacting on the company.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred taxation is provided in respect of temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be utilised. Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction, other than a business combination, that effects neither the tax or accounting profit.

**Notes to the financial statements
for the year ended 31 December 2019
Odoram Limited**

2. Investments

	2019	2018
	EUR	EUR
Investment in subsidiary	20,607,568	20,607,568
	<u>20,607,568</u>	<u>20,607,568</u>

There is no impairment on the balance (py: nil).

Details of the Company's subsidiaries at 31 December 2019 are as follows:

	Country of incorporation	Registered office	Proportion of ownership interest	Proportion of voting power held
Dr Vranjes Firenze Spa	Italy	Via Sandro Pertini, 5 - Località Antella, 50012 Bagno a Ripoli	68.1	68.1
DrV US Corp.	USA	234 West, 39th Street, 2nd floor, New York, NY 10018	68.1	68.1
Dierrevi Solutions S.r.l.	Romania	Parc Milano Due Hala C14 FN, ARAD	68.1	68.1
DR. Vranjes Cosmetics Trading (Shanghai) Co., Ltd.	China	Shanghai, Pudong new area, Chuansha road 1098, build. 8	68.1	68.1

3. Debtors: amounts falling due within one year

	2019	2018
	EUR	EUR
Due from the parent company - unpaid share capital	-	1
	<u>-</u>	<u>1</u>

4. Creditors: amounts falling due within one year

	2019	2018
	EUR	EUR
Amounts due to subsidiary undertaking	67,996	-
Accrued expenses	136,467	132,520
Loan from related party (see note 8)	106,622	81,622
	<u>311,085</u>	<u>214,142</u>

The loan from related parties is a non-interest bearing loan that is repayable on demand.

5. Share capital

	2019	2018
	EUR	EUR
Share Capital (authorised, allotted and issued)	23,597	23,597

**Notes to the financial statements
for the year ended 31 December 2019
Odoram Limited**

6. Operating Loss

Operating loss is stated after charging:

	2019 EUR	2018 EUR
Auditors' remuneration - audit services	54,000	45,000
Foreign exchange differences	1,574	21
	<u>55,574</u>	<u>45,021</u>

There were no staff during the year (2018: none) and no directors received any emoluments for their services to the company (2018: nil).

7. Taxation

	2019 EUR	2018 EUR
Profit before tax	(129,361)	(80,184)
Tax at rate of 19%	(24,579)	(15,235)
Unrecognised tax losses	24,579	15,235
Tax payable	<u>-</u>	<u>-</u>

8. Ultimate controlling party

The immediate parent is Nidoram Limited which is the smallest and largest group to consolidate these financial statements.

The ultimate controlling parties are those charged with governance with managing the investments of Bluegem II LP, being the members of Bluegem Capital Partners LLP.

9. Related party transactions

In a prior year, Odoram Limited received an interest free loan from Marco Capello, a member of Bluegem Capital Partners LLP, the investment manager of Bluegem II LP. At the year end EUR 81,622 (2018: EUR 81,622) remained outstanding. During the year an amount of EUR 25,000 was received from Bluegem II LP (2018: EUR Nil).

10. Subsequent events

In March 2020, the Covid-19 pandemic upset business plans and forced the group to substantially review its activities. The Board of Directors promptly pursued in the first place the goal of ensuring the safety and health of workers and customers, respecting the provisions of the regulatory measures issued. Further analysis was performed to ascertain the potential economic impact on the group and acted quickly to mitigate those risks where possible.