

Company Registration No. 11258861 (England and Wales)

ISAIA UK PRIVATE LIMITED
(FORMERLY DESERT ROSE RETAIL PRIVATE LIMITED)
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020
PAGES FOR FILING WITH REGISTRAR

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(FORMERLY DESERT ROSE RETAIL PRIVATE LIMITED)
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**ISAIA UK PRIVATE LIMITED
(FORMERLY DESERT ROSE RETAIL PRIVATE LIMITED)
BALANCE SHEET**

AS AT 31 DECEMBER 2020

	Notes	31 December 2020		31 March 2020	
		£	£	£	£
Fixed assets					
Intangible assets	3		-		6,418
Tangible assets	4		797,789		912,982
			<u>797,789</u>		<u>919,400</u>
Current assets					
Stocks		908,786		1,113,625	
Debtors	5	355,610		357,081	
Cash at bank and in hand		31,315		11,633	
		<u>1,295,711</u>		<u>1,482,339</u>	
Creditors: amounts falling due within one year	6	<u>(1,087,839)</u>		<u>(3,617,289)</u>	
Net current assets/(liabilities)			<u>207,872</u>		<u>(2,134,950)</u>
Total assets less current liabilities			<u>1,005,661</u>		<u>(1,215,550)</u>
Creditors: amounts falling due after more than one year	7		<u>(121,852)</u>		<u>(82,713)</u>
Net assets/(liabilities)			<u><u>883,809</u></u>		<u><u>(1,298,263)</u></u>
Capital and reserves					
Called up share capital			100		100
Profit and loss reserves			883,709		(1,298,363)
			<u>883,809</u>		<u>(1,298,263)</u>
Total equity			<u><u>883,809</u></u>		<u><u>(1,298,263)</u></u>

The directors of the company have elected not to include a copy of the profit and loss account 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 22 March 2022 and are signed on its behalf by:

E Magaraci
Director

Company Registration No. 11258861

**ISAIA UK PRIVATE LIMITED
(FORMERLY DESERT ROSE RETAIL PRIVATE LIMITED)
STATEMENT OF CHANGES IN EQUITY**

FOR THE PERIOD ENDED 31 DECEMBER 2020

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2019	100	(572,443)	(572,343)
Period ended 31 March 2020:			
Loss and total comprehensive income for the period	-	(725,920)	(725,920)
Balance at 31 March 2020	100	(1,298,363)	(1,298,263)
Period ended 31 December 2020:			
Profit and total comprehensive income for the period	-	2,182,072	2,182,072
Balance at 31 December 2020	100	883,709	883,809

**ISAIA UK PRIVATE LIMITED
(FORMERLY DESERT ROSE RETAIL PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Isaia UK Private Limited is a private company limited by shares incorporated in England and Wales. The registered office is Acre House, 11-15 William Road, London, United Kingdom, NW1 3ER.

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 Going concern

This is the company's third period of trading. The Covid-19 pandemic caused significant disruption to the company's business. Government restrictions caused a significant drop in sales and a trading loss. The sale of the company to ISAIA é ISAIA S.P.A. shortly after the year end, benefited the company as loans owed to the previous parent company of £3,034,672 were waived. However, the disruption caused by Covid-19 has continued post year-end and forecasts for both financial years 2021 and 2022 show losses persisting, indicating that there are material uncertainties over the future prospects of the business.

The new parent company has provided an undertaking that it will provide financial support to the company for a period of at least 12 months from the date of approval of these financial statements. Although, based on projections, the new parent company is of the opinion that they have sufficient resources to provide such support, the group as a whole has faced trading difficulties and there are uncertainties over the availability of this support.

Notwithstanding these uncertainties, the directors have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements

1.3 Reporting period

The current reporting period is the period from 01 April 2020 to 31 December 2020. The prior period comparatives are for the reporting period from 01 April 2019 to 31 March 2020.

1.4 Turnover

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

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on sale of the goods).

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.

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	5 years
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**ISAIA UK PRIVATE LIMITED
(FORMERLY DESERT ROSE RETAIL PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE PERIOD ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

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:

Leasehold improvements	15 years
Master Garment	3 - 5 years
Fixtures and fittings	25% Straight line
Computers	33.33% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 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.

1.8 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.

1.9 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 in the company's balance sheet 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 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.

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.

**ISAIA UK PRIVATE LIMITED
(FORMERLY DESERT ROSE RETAIL PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE PERIOD ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans 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. Financial liabilities classified as payable within one year are not amortised.

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.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the 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.

1.11 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.

1.12 Retirement benefits

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

1.13 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.

Government grants, which include amounts received under the Coronavirus Job Retention Scheme, are recognised at the fair value of the grant received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. The income is recognised in other income on a systematic basis over the periods in which the associated costs are incurred, using the accrual model.

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.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

ISAIA UK PRIVATE LIMITED
(FORMERLY DESERT ROSE RETAIL PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

2 Employees

The average monthly number of persons (including directors) employed by the company during the Period was 7 (31 March 2020 - 7).

	31 December 2020	31 March 2020
	Number	Number
Total	7	7
	<u>7</u>	<u>7</u>

3 Intangible fixed assets

	Software £
Cost	
At 1 April 2020	8,701
Disposals	(8,701)
	<u>-</u>
At 31 December 2020	-
	<u>-</u>
Amortisation and impairment	
At 1 April 2020	2,283
Amortisation charged for the Period	1,305
Disposals	(3,588)
	<u>-</u>
At 31 December 2020	-
	<u>-</u>
Carrying amount	
At 31 December 2020	-
	<u>-</u>
At 31 March 2020	6,418
	<u>6,418</u>

ISAIA UK PRIVATE LIMITED
(FORMERLY DESERT ROSE RETAIL PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

4	Tangible fixed assets	Leasehold	Master Garment	Fixtures and fittings	Computers	Total
		improvements				
		£	£	£	£	£
	Cost					
	At 1 April 2020	759,172	27,337	331,039	31,939	1,149,487
	Additions	1,033	-	-	-	1,033
	At 31 December 2020	760,205	27,337	331,039	31,939	1,150,520
	Depreciation and impairment					
	At 1 April 2020	77,204	16,990	127,180	15,131	236,505
	Depreciation charged in the Period	39,338	6,834	62,070	7,984	116,226
	At 31 December 2020	116,542	23,824	189,250	23,115	352,731
	Carrying amount					
	At 31 December 2020	643,663	3,513	141,789	8,824	797,789
	At 31 March 2020	681,968	10,347	203,859	16,808	912,982

5	Debtors	31 December 2020	31 March 2020
		£	£
	Amounts falling due within one year:		
	Trade debtors	17,238	17,184
	Other debtors	10,649	10,649
	Prepayments and accrued income	8,223	9,748
		36,110	37,581
	Amounts falling due after more than one year:		
	Other debtors	319,500	319,500
	Total debtors	355,610	357,081

ISAIA UK PRIVATE LIMITED
(FORMERLY DESERT ROSE RETAIL PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

6 Creditors: amounts falling due within one year	31 December 2020	31 March 2020
	£	£
Bank loans	5,831	-
Trade creditors	54,454	40,764
Amounts owed to group undertakings	-	3,134,976
Taxation and social security	94,964	39,055
Other creditors	621,937	367,960
Accruals and deferred income	310,653	34,534
	<u>1,087,839</u>	<u>3,617,289</u>

Bank loans relate to letters of credit utilised by the company and are secured against all the client's deposits held with the bank by way of a fixed charge, incurring interest at 2.75% per annum.

Accruals and deferred income include an accrual for rent charges of £266,250 for the period. Post year end the company renegotiated the terms of their lease which resulted in a peppercorn rent being payable for the period to 31 December 2020.

7 Creditors: amounts falling due after more than one year	31 December 2020	31 March 2020	
	Notes	£	£
Bank loans and overdrafts		44,169	-
Accruals and deferred income		77,683	82,713
		<u>121,852</u>	<u>82,713</u>

8 Operating lease commitments

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

31 December 2020	31 March 2020
£	£
4,544,973	4,812,438
<u>4,544,973</u>	<u>4,812,438</u>

9 Related party transactions

Remuneration of key management personnel

Sales to a former director of the company, and his family amounted to £2,093 (March 2020: £89,364). Sales to this director and his family members receive discounts which vary from 10% to 30%.

**ISAIA UK PRIVATE LIMITED
(FORMERLY DESERT ROSE RETAIL PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE PERIOD ENDED 31 DECEMBER 2020

10 Ultimate controlling party

At the year end the company's ultimate controlling party was Tulip Park PTE. Ltd, which is incorporated in Singapore. Tulip Park PTE. Ltd prepares group accounts, copies of which can be obtained from 6 Battery Road, #10-01, Singapore (049909).

After the year end the company was sold and the ultimate parent company changed to Isaia E Isaia s.p.a., a company registered in Italy.

11 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 s44(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements which describes the impact of the Covid-19 pandemic on the company, and its reliance on the financial support of its new parent company. These events or conditions, along with the other matters as set forth in note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The senior statutory auditor was Gilles Siow.

The auditor was HW Fisher LLP.

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.