

Company registration number 11258861 (England and Wales)

ISAIA UK PRIVATE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
PAGES FOR FILING WITH REGISTRAR

ISAIA UK PRIVATE LIMITED

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ISAIA UK PRIVATE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	3		638,232		754,264
Current assets					
Stocks		723,721		923,653	
Debtors	4	587,081		386,622	
Cash at bank and in hand		1,146,983		337,204	
		<u>2,457,785</u>		<u>1,647,479</u>	
Creditors: amounts falling due within one year	5	<u>(1,520,201)</u>		<u>(1,494,393)</u>	
Net current assets			937,584		153,086
Total assets less current liabilities			<u>1,575,816</u>		<u>907,350</u>
Creditors: amounts falling due after more than one year	6		<u>(360,952)</u>		<u>(104,457)</u>
Net assets			<u>1,214,864</u>		<u>802,893</u>
Capital and reserves					
Called up share capital			100		100
Capital contribution reserve			299,993		-
Profit and loss reserves			914,771		802,793
Total equity			<u>1,214,864</u>		<u>802,893</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 17 April 2024 and are signed on its behalf by:

G Isaia
Director

Company registration number 11258861 (England and Wales)

ISAIA UK PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Capital contribution reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2021	100	-	883,709	883,809
Year ended 31 December 2021:				
Loss and total comprehensive income	-	-	(80,916)	(80,916)
Balance at 31 December 2021	<u>100</u>	<u>-</u>	<u>802,793</u>	<u>802,893</u>
Year ended 31 December 2022:				
Profit and total comprehensive income	-	-	111,978	111,978
Investment introduced	-	299,993	-	299,993
Balance at 31 December 2022	<u><u>100</u></u>	<u><u>299,993</u></u>	<u><u>914,771</u></u>	<u><u>1,214,864</u></u>

ISAIA UK PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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

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 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).

1.4 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.

1.5 Impairment of fixed assets

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

ISAIA UK PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.6 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.

1.7 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.

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.

1.8 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.

1.9 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.

ISAIA UK PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies **(Continued)**

1.10 Retirement benefits

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

1.11 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.

1.12 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.

1.13 Capital contribution reserve

Capital contribution reserve is distributable.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 6 (2021 - 6).

	2022	2021
	Number	Number
Total	6	6
	==	==

ISAIA UK PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Tangible fixed assets	Leasehold improvements	Master Garment fixtures and fittings	Computers	Total
	£	£	£	£
Cost				
At 1 January 2022	760,205	27,337	445,934	1,265,415
Additions	-	-	11,430	29,430
At 31 December 2022	<u>760,205</u>	<u>27,337</u>	<u>457,364</u>	<u>1,294,845</u>
Depreciation and impairment				
At 1 January 2022	167,223	27,337	284,653	511,151
Depreciation charged in the year	50,680	-	90,833	145,462
At 31 December 2022	<u>217,903</u>	<u>27,337</u>	<u>375,486</u>	<u>656,613</u>
Carrying amount				
At 31 December 2022	<u>542,302</u>	<u>-</u>	<u>81,878</u>	<u>638,232</u>
At 31 December 2021	<u>592,982</u>	<u>-</u>	<u>161,281</u>	<u>754,264</u>
4 Debtors			2022	2021
Amounts falling due within one year:			£	£
Trade debtors			154,098	4,846
Other debtors			21,813	33,945
Prepayments and accrued income			91,670	28,331
			<u>267,581</u>	<u>67,122</u>
Amounts falling due after more than one year:			2022	2021
			£	£
Other debtors			319,500	319,500
Total debtors			<u>587,081</u>	<u>386,622</u>

ISAIA UK PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

5	Creditors: amounts falling due within one year	2022	2021
		£	£
	Bank loans	9,997	9,996
	Trade creditors	15,694	79,191
	Taxation and social security	101,640	194,745
	Other creditors	1,078,647	529,935
	Accruals and deferred income	314,223	680,526
		<u>1,520,201</u>	<u>1,494,393</u>

The 2022 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.

The 2022 accruals and deferred income include an accrual for rent charges of £281,404.

6	Creditors: amounts falling due after more than one year	2022	2021
		£	£
	Bank loans and overdrafts	22,491	33,480
	Accruals and deferred income	338,461	70,977
		<u>360,952</u>	<u>104,457</u>

7 Financial commitments, guarantees and contingent liabilities

The company has a concession agreement with a major department store and is required to spend a minimum amount in the store with the Harrods media department on marketing and promoting the sale of the goods in the department store. The minimum spend each year is as follows:

- For the remainder of the initial Financial Year from the Commencement Date until 31 January 2022 £17,500;
- For the subsequent Financial Year the annualised equivalent of 2 per cent of the receipts from the Initial Financial Year; and
- For subsequent Financial Years 2 per cent of receipts for the preceding Financial Year.

The company is required to pay a margin to the department store which is calculated as a percentage of net receipts. A commitment has been made to pay a minimum margin of:

- In relation to the period from the Commencement date until 31 January 2022, £175,000
- In relation to the year ending 31 January 2023, £290,000
- In relation to the year ending 31 January 2024, £310,000

ISAIA UK PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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:

	2022	2021
	£	£
Within one year	601,086	355,000
Between two and five years	1,420,000	1,420,000
In over five years	1,967,292	2,416,684
	<u>3,988,378</u>	<u>4,191,684</u>

On 29 June 2022, the company and its landlord agreed to vary the terms of the London store lease. As a result, the rent charge from 25 March 2020 to 24 December 2021 was waived and the rent payable for the year to 31 December 2022 became £410,886.

9 Ultimate controlling party

At the year end the company's ultimate controlling party was Isaia E Isaia S.p.A., a company registered in Italy.

10 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:

Qualified Opinion

We have audited the financial statements of Isaia UK Private Limited (the 'company') for the year ended 31 December 2022 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit 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 qualified opinion

We were not able to observe the counting of physical inventories at the prior period end, 31 December 2021, or satisfy ourselves through alternative means as to the existence and confirmation of inventories as of that date. Consequently, we are unable to determine as to whether any adjustment to cost of sales was required for the year ended 31 December 2022, together with any subsequent impact on the results reported by the company for the year.

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.

ISAIA UK PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Audit report information

(Continued)

The senior statutory auditor was Pierpaolo Spadoni.
The auditor was ACT Audit Limited.

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.