

Company registration number 03147720 (England and Wales)

RPMC EUROPE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
PAGES FOR FILING WITH REGISTRAR

RPMC EUROPE LIMITED

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RPMC EUROPE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

		2021		2020	
	Notes	£	£	as restated £	£
Fixed assets					
Investments	4		-		85,699
Current assets					
Debtors	5	18,859		138,507	
Cash at bank and in hand		55		41	
		18,914		138,548	
Creditors: amounts falling due within one year	6	(5,825)		(809,302)	
Net current assets/(liabilities)			13,089		(670,754)
Net assets/(liabilities)			13,089		(585,055)
Capital and reserves					
Called up share capital	8		30,000		30,000
Profit and loss reserves			(16,911)		(615,055)
Total equity			13,089		(585,055)

The director of the company has 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 and signed by the director and authorised for issue on 28 December 2022

Mr S J Hall

Director

Company Registration No. 03147720

RPMC EUROPE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Profit and loss reserves	Total
	£	£	£
As restated for the period ended 31 December 2020:			
Balance at 1 January 2020	30,000	(618,965)	(588,965)
Year ended 31 December 2020:			
Profit and total comprehensive income for the year	-	3,910	3,910
Balance at 31 December 2020	30,000	(615,055)	(585,055)
Year ended 31 December 2021:			
Loss and total comprehensive expense for the year	-	598,144	598,144
Balance at 31 December 2021	30,000	(16,911)	13,089

RPMC EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

RPMC Europe Limited is a private company limited by shares incorporated in England and Wales. The registered office is 2nd Floor, 201 Great Portland Street, Marylebone, London, W1W 5AB.

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 company has insufficient funds and support to meet its liabilities as they fall due in the 12 months following the date of approval of these financial statements. Taking this into consideration, the company is no longer a going concern and as a result of the accounts being prepared on the going concern basis, the audit report contains an adverse opinion. Both under FRS 102 and the Companies Act 2006, the financial statements should have been prepared on a basis other than going concern.

1.3 Turnover

The company incurs admin expenses on behalf of its fellow subsidiary undertaking, Sid Lee London Limited. Turnover relates to management charges receivable from the relevant company with respect to the relevant expenses.

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

1.5 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 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.

RPMC EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Derecognition of financial liabilities

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

RPMC EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.9 Prior year reclassification

During a detailed review of the opening balances it was noted that turnover and expenses were netted off in the prior year. As such the relevant turnover and expenses have been reclassified to turnover and administrative expenses. In addition, the intercompany creditor, previously disclosed as due within more than one year, has been reclassified to due within one year to reflect the payment terms of the loan which is repayable on demand.

The above resulted in a restatement of the previous year's turnover from £nil (as previously reported) to £249,257 (as restated) and a corresponding increase in administrative expenses from £184 (as previously reported) to £249,441 (as restated). Creditors due within more than one year have been restated from £803,965 (as previously reported) to £nil (as restated). Creditors due within one year have been restated from £5,596 (as previously reported) to £809,302 (as restated). The resulting reclassification had no impact on profit and/or equity.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

The average monthly number of persons employed by the company during the year was:

	2021 Number	2020 Number
Total	-	-

4 Fixed asset investments

	2021 £	2020 £
Shares in group undertakings and participating interests	-	85,699

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

4 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in subsidiaries £
Cost or valuation	
At 1 January 2021 & 31 December 2021	85,699
Impairment	
At 1 January 2021	-
Impairment losses	85,699
At 31 December 2021	85,699
Carrying amount	
At 31 December 2021	-
At 31 December 2020	85,699

5 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Amounts owed by group undertakings	-	119,647
Other debtors	18,859	18,860
	18,859	138,507

6 Creditors: amounts falling due within one year

	2021 £	2020 £
		As restated
Bank loans and overdrafts	-	30
Trade creditors	5,566	5,566
Amounts owed to group undertakings	259	803,706
	5,825	809,302

7 Related party transactions

As a wholly owned subsidiary, the company is exempt from disclosing related party transactions and outstanding balances with its parent company and fellow wholly owned subsidiaries under section 33.1A of FRS102.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Called up share capital

	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	30,000	30,000	30,000	30,000

9 Parent company

The immediate parent company is Red Peak Group LLC. The registered office is 251 Little Falls Drive, Wilmington, Delaware, 19808, United States of America.

The ultimate parent company is Hakuholdo DY Holdings Inc, a company incorporated in Japan with registered office, 5-3-1 Akasaka, Minato-Ku, Tokyo 107-6320. The smallest and largest group in which the results of the company are consolidated is that headed by Hakuholdo DY Holdings Inc. No other group financial statements include the results of the company. The relevant consolidated financial statements are available to the public and may be obtained on their website: <https://www.hakuholdo-dy-holdings.co.jp/english/ir/library/ar/>.

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:

The auditor's report was qualified.

In our opinion, because of the significance of the matter described in the basis for adverse opinion section of our report, the financial statements:

- do not give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have not been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have not been prepared in accordance with the requirements of the Companies Act 2006.

Basis for adverse opinion

The company has insufficient funds and support to meet its liabilities as they fall due in the 12 months following the date of approval of these financial statements. Taking this into consideration, the company is no longer a going concern and given that the directors have prepared the accounts on the going concern basis, the audit report contains an adverse opinion. Both under FRS 102 and the Companies Act 2006, the financial statements should have been prepared on a basis other than going concern.

In addition to the above, there was a qualification in the prior year which still impacts the comparatives due to the company having investments of £85,669 and an intercompany loan receivable of £119,647, relating to RPMC Marketing do Brazil LTDA (a limited company in Brazil where the company owns 50% of the share capital). Based on the audit work undertaken in the prior year, we are of the opinion that the relevant investments and loan should have been written down to £nil given that RPMC Marketing do Brazil LTDA is a dormant company and is in the process of being struck off, with insufficient funds to repay the loan and net assets significantly below the value of the investments. The relevant investments and loan were written down to £nil during this 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Audit report information

(Continued)

The senior statutory auditor was Nikolaos Ioannidis.

The auditor was Shaw Gibbs (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.