

Financial Statements for the Year Ended 31 December 2021

for

Shopstyle UK Limited

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for the Year Ended 31 December 2021

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Shopstyle UK Limited

Company Information  
for the Year Ended 31 December 2021

**DIRECTORS:**

A Patel  
A Down Coulson

**REGISTERED OFFICE:**

7 Savoy Court  
London  
United Kingdom  
WC2R 0EX

**REGISTERED NUMBER:**

10587704 (England and Wales)

**SENIOR STATUTORY AUDITOR:**

Michael Marcus FCA FCCA

**AUDITORS:**

J.D. Bregman & Co Limited (Statutory Auditor)  
First Floor  
Spitalfields House  
Stirling Way  
Borehamwood  
Hertfordshire  
WD6 2FX

Balance Sheet  
31 December 2021

	Notes	31.12.21 £	31.12.20 £
<b>FIXED ASSETS</b>			
Property, plant and equipment	4	-	49,256
<b>CURRENT ASSETS</b>			
Debtors	5	9,229	84,807
Cash at bank		<u>2,562,133</u>	<u>1,167,510</u>
		2,571,362	1,252,317
<b>CREDITORS</b>			
Amounts falling due within one year	6	<u>(2,248,916)</u>	<u>(1,029,315)</u>
<b>NET CURRENT ASSETS</b>		<u>322,446</u>	<u>223,002</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>322,446</u>	<u>272,258</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	1,000	1,000
Retained earnings		<u>321,446</u>	<u>271,258</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>322,446</u>	<u>272,258</u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 30 September 2022 and were signed on its behalf by:

A Patel - Director

1. **STATUTORY INFORMATION**

Shopstyle UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Significant judgements and estimates**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. There were no significant judgements or estimates that affect the financial statements.

**Turnover**

Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short leasehold                      -    over the life of the lease

**Financial instruments**

The company has elected to apply the provisions of Paragraph 1AC.22 of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position 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.

**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.

**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.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2021

**2. ACCOUNTING POLICIES - continued**

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.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Leasing commitments**

When the company enters into a lease, a lease obligation and a right-of-use asset are recognised for the present value of the fixed lease payments that will be incurred over the lease term. Subsequent to initial recognition:

- the right-of-use asset is depreciated on a straight-line basis over the lease term;
- a finance charge is recognised in respect of the lease obligation; and
- fixed lease payments reduce the lease obligation.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Share based payments**

The Group issues equity-settled share options to certain employees within the Group. Equity-settled share-based payment transactions are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 15 (2020 - 15) .

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2021

4. **PROPERTY, PLANT AND EQUIPMENT**

	Short leasehold £
<b>COST</b>	
At 1 January 2021	400,234
Disposals	(400,234)
At 31 December 2021	-
<b>DEPRECIATION</b>	
At 1 January 2021	350,978
Charge for year	49,256
Eliminated on disposal	(400,234)
At 31 December 2021	-
<b>NET BOOK VALUE</b>	
At 31 December 2021	-
At 31 December 2020	49,256

Fixed assets, included in the above, which are held under hire purchase contracts or finance leases are as follows:

	Short leasehold £
<b>COST</b>	
At 1 January 2021	400,234
Disposals	(400,234)
At 31 December 2021	-
<b>DEPRECIATION</b>	
At 1 January 2021	350,978
Charge for year	49,256
Eliminated on disposal	(400,234)
At 31 December 2021	-
<b>NET BOOK VALUE</b>	
At 31 December 2021	-
At 31 December 2020	49,256

5. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.21 £	31.12.20 £
Other debtors	3,900	34,454
Prepayments	5,329	50,353
	<u>9,229</u>	<u>84,807</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2021

6. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.21	31.12.20
	£	£
Trade creditors	201,515	5,540
Amounts owed to group undertakings	1,704,905	631,618
Social security and other taxes	11,443	11,433
Other creditors	113	55,700
Accrued expenses	330,940	325,024
	<u>2,248,916</u>	<u>1,029,315</u>

7. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			31.12.21	31.12.20
Number:	Class:	Nominal value:	£	£
1,000	Ordinary share	£1	<u>1,000</u>	<u>1,000</u>

8. **DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was unqualified.

Michael Marcus FCA FCCA (Senior Statutory Auditor)  
for and on behalf of J.D. Bregman & Co Limited (Statutory Auditor)

9. **RELATED PARTY DISCLOSURES**

Included in other creditors amounts falling due within one year is an amount of £1,704,905 (2020: £631,618) owed to the parent company Shopstyle US Inc. The company received management fees of £1,508,114 (2020: £1,699,209) during the year from its parent company.

10. **ULTIMATE CONTROLLING PARTY**

The controlling party is Shopstyle Inc.

The ultimate controlling party is Rakuten Inc (Tokyo).

The most senior parent entity producing publicly available financial statements is Rakuten Inc (Japan). These financial statements are available upon request from Rakuten, 1-14-1, Tamagawa, Setagaya-ku, Tokyo, Japan, 158-0094.



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.