Registered number: 12425174

Thélios UK Limited

Financial statements

For the period ended 31 December 2020

Thélios UK Limited

Company Information

Directors	Carlo Brusamolino (appointed 27 January 2020) Pierre-Jacques Domenjoz (appointed 16 June 2021) Jerome Kempe (appointed 27 January 2020)
Registered number	12425174
Registered office	22-24 Ely Place London EC1N 6TE
Independent auditors	Kreston Reeves LLP Chartered Accountants & Statutory Auditor 2nd Floor 168 Shoreditch High Street London E1 6RA

Thélios UK Limited

Contents

Directors' report
For the period ended 31 December 2020

The Directors present their report and the financial statements for the period ended 31 December 2020. The company was incorporated on 27 January 2020.

Principal activity

The principal activity of the company during the period was to distribute to retailers optical glasses and sunglasses.

Thélios UK Limited is a subsidiary company of Thélios SpA which has been recently incorporated to sustain the global market growth and profitability of the Brands owned by its leading shareholder LVMH.

Directors

The Directors who served during the period were:

Carlo Brusamolino (appointed 27 January 2020)
Jerome Kempe (appointed 27 January 2020)
Grégoire Lefevre (appointed 27 January 2020, resigned 16 June 2021)

On 16 June 2021 Pierre-Jacques Domenjoz was appointed as a director of the comapny.

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' report and the financial statements, in accordance with applicable law.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Results and dividends

The loss for the period, after taxation, amounted to £336,527.

Thélios UK Limited

Directors' report (continued)
For the period ended 31 December 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.

Post year end events

There have been no significant events affecting the Company since the period end.

Auditors

The Auditors, Kreston Reeves LLP, were appointed on 20 September 2021 and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

This report was approved by the board on and signed on its behalf.

Jerome Kempe
Director
11/03/22

Independent auditors' report to the members of Thélios UK Limited

Opinion

We have audited the financial statements of Thélios UK Limited for the period ended 31 December 2020 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies set out on pages 13 - 17. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 auditors' 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 United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual report, other than the financial statements and our auditors' report thereon. The directors are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

Independent auditors' report to the members of Thélios UK Limited (continued)

Opinion 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 period 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.

Matters on which we are required to report by exception

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 material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, 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.

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Independent auditors' report to the members of Thélios UK Limited (continued)

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the company and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates and judgemental areas of the financial statements such as the carrying value of the intangible asset. Audit procedures performed by the engagement team included:

- discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management and internal audit;
- challenging assumptions and judgements made by management in its significant accounting estimates;
- reading minutes of meetings of those charged with governance, and reviewing correspondence with relevant tax authorities;
- identifying and testing journal entries, in particular any manual entries made at the period end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent auditors' report to the members of Thélios UK Limited (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 auditors' 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.

Kreston Reeves LLP

Michael Cook BA (Hons) FCA (Senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

London
Date: 17 March 2022

Thélios UK Limited

Statement of comprehensive income
For the period ended 31 December 2020

	Note	2020 £
Revenue	5	**162,443**
Cost of sales		**(162,329)**
Gross profit		**114**
Administrative expenses		**(335,783)**
Loss from operations	11	**(335,669)**
Finance expense	9	**(858)**
Loss before tax		**(336,527)**
Tax expense	10	**-**
Loss for the period		**(336,527)**

The notes on pages 13 to 26 form part of these financial statements.

There was no other comprehensive income for 2020.

All amounts relate to continuing operations.

Thélios UK Limited
Registered number: 12425174

Statement of financial position
As at 31 December 2020

	Note	2020 £
Assets		
Non-current assets		
Property, plant and equipment	12	**5,969**
Intangible fixed assets	13	**143,845**
		149,814
Current assets		
Trade and other receivables	14	**85,007**
Cash and cash equivalents	23	**161,812**
		246,819
Total assets		**396,633**
Liabilities		
Current liabilities		
Trade and other liabilities	15	**714,363**
Provisions	16	**13,797**
		728,160
Total liabilities		**728,160**
Net (liabilities)/assets		**(331,527)**
Issued capital and reserves		
Share capital	17	**5,000**
Retained earnings	18	**(336,527)**
TOTAL EQUITY		**(331,527)**

The financial statements on pages 9 to 26 were approved and authorised for issue by the board of Directors on and were signed on its behalf by:

Jerome Kempe
Director
11/03/22

The notes on pages 13 to 26 form part of these financial statements.

Thélios UK Limited

Statement of changes in equity
For the period ended 31 December 2020

	Share capital	Retained earnings	Total equity
	£	£	£
Comprehensive income for the period			
Loss for the period	-	(336,527)	(336,527)
Total comprehensive income for the period	-	(336,527)	(336,527)
Issue of share capital	5,000	-	5,000
Total contributions by and distributions to owners	5,000	-	5,000
At 31 December 2020	**5,000**	**(336,527)**	**(331,527)**

The notes on pages 13 to 26 form part of these financial statements.

Statement of cash flows
For the period ended 31 December 2020

	2020
	£
Cash flows from operating activities	
Loss for the period	**(336,527)**
Adjustments for	
Depreciation of property, plant and equipment	**260**
	(336,267)
Movements in working capital:	
Increase in trade and other receivables	**(85,007)**
Increase in trade and other payables	**584,315**
Cash generated from operations	**163,041**
Net cash from operating activities	**163,041**
Cash flows from investing activities	
Purchases of property, plant and equipment	**(6,229)**
Net cash used in investing activities	**(6,229)**
Cash flows from financing activities	
Issue of ordinary shares	**5,000**
Net cash from financing activities	**5,000**
Net cash increase in cash and cash equivalents	**161,812**
Cash and cash equivalents at the end of the period	**161,812**

The notes on pages 13 to 26 form part of these financial statements.

Notes to the financial statements
For the period ended 31 December 2020

1. Reporting entity

Thélios UK Limited (the 'Company') is a limited company incorporated in England. The Company's registered office, and principal place of business, is at 22-24 Ely Place, London, EC1N 6TE. The Company's principal activity is disclosed on page 3.

2. Accounting policies

2.1 Statement of compliance with IFRS

These financial statements have been prepared in accordance with EU Endorsed International Financial Reporting Standards (IFRS), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared on the going concern basis under the historical cost convention. The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the ultimate parent company.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements are mentioned in Note 4.

2.2 Going concern

The financial statements have been prepared on a going concern basis despite the company reporting a loss of £336,527 and net liabilities of £331,527. The impact of the Covid-19 virus has been assessed by the directors as far as reasonably possible. Taking into consideration the UK Government's response and the company's planning, the directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. The company also has the support of their parent as they get established in the United Kingdom.

2.3 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product to a customer upon delivery.

For commercial returns, given goods are returned in original condition, the company permits the customers to return goods for a specified period for credit. The directors use their knowledge of the business and historical data to provide for the likely level of returns.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

2.4 Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets or liabilities denominated in foreign currencies are translated at balance sheet date at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities denominated in foreign currencies that are stated at their fair value are translated at the foreign exchange rate ruling that the date the fair value was determined. Foreign exchange differences arising on their translation are recognised in the statement of comprehensive income and classified according to the nature of the foreign exchange difference.

2. Accounting policies (continued)

2.5 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'loss before tax' as reported in the Statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.6 New standards and interpretations

a) New and amended standards adopted by the Company

The following have been applied for the first time from 1 January 2020 but did not have a material impact on the financial statements:

- IFRS 3 (amendment) Business Combinations IAS 1 (amendment) Presentation of Financial Statements
- IAS 8 (amendments) Accounting Policies, Changes in Accounting Estimates and Errors
- IFRS17 – Insurance Contracts
- IFRS 9, IFRS 7 and IAS39 (amendment) Financial Instruments IFRS 16 (amendments) Leases

b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

Mandatory for accounting periods commencing on or after 1 January 2021:

- IAS 1 – Presentation of Financial Statements
- Amendments to IFRS9, IFRS 7, IAS 39, IFRS 4, IAS 16, IAS 37, IFRS 3, IAS41 to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework.

The directors do not expect that the adoption of the Standards and Interpretations listed above will have a material impact on the financial statements of the company in future periods.

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

2. Accounting policies (continued)

2.7 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following range:

Computer equipment	20% straight line

2.8 Intangible assets

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, the company's management perform annual impairment reviews at each period end to determine whether there has been any impairment of their carrying value.

2.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.10 Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2. Accounting policies (continued)

2.11 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date. The company has no financial assets classified at fair value through profit or loss or as available for sale.

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the Statement of financial position. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

- Impairment of financial assets

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

2.12 Financial liabilities and equity instruments

Financial liabilities are measured at fair value on initial recognition. For all financial liabilities not subsequently measured at fair value through the Statement of comprehensive income, the transaction costs directly attributable to the acquisition of the financial liabilities are also recognised.

- Loans and borrowings

All loans and borrowings except for certain inter-entity loans and borrowings are interest bearing and are initially recognised at fair value and subsequently recorded at amortised cost, representing the present value of the loan, calculated using the effective interest rate of the loan or borrowing over its term. They are included in current liabilities, unless the company has an unconditional right to defer settlement of the loan or borrowing for at least 12 months after the end of the reporting period. Costs incurred with borrowings are expensed to the Statement of comprehensive income as they are incurred.

2.13 Defined contribution schemes

Contributions to defined contribution pension schemes are charged to the statement of comprehensive income in the period to which they relate.

2.14 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.15 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

All receivables are regularly reviewed and a provision for impairment of trade receivables is established when there is objective evidence that all amounts may not be collectible according to the original terms of the sales transaction. Bad debts are written off as incurred.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term deposits held by the company. The carrying amount of these assets approximates their fair value.

3. Functional and presentation currency

These financial statements are presented in pounds sterling, which is the Company's functional currency. All amounts have been rounded to the nearest pound, unless otherwise indicated.

4. Accounting estimates and judgments

4.1 Estimates and assumptions

Intangible asset

During the period the company acquired the business assets of Marcolin UK Limited. The acquisition of the intangible assets have been accounted for under IFRS3 and the Customer Lists acquired continue to be recognised in accordance with IAS38. The assets are recognised at fair value, which equates to cost, with no amortisation charged as the directors consider that the intangible asset has an infinite useful life. The company's management perform annual impairment reviews at each period end to determine whether there has been any impairment of their carrying value.

Bad debt provision

The directors provide for bad debts under the expected credit loss model.

5. Revenue

The following is an analysis of the Company's revenue for the period from continuing operations:

	2020
	£
Sale of goods	162,443
	162,443

Analysis of revenue by country of destination:

	2020
	£
United Kingdom	162,443
	162,443

6. Auditors' remuneration

During the period, the Company obtained the following services from the Company's auditors:

	2020
	£
Fees payable to the Company's auditors for the audit of the Company's financial statements	9,000

7. Employee benefit expenses

	2020 £
Employee benefit expenses (including Directors) comprise:	
Wages and salaries	106,074
National insurance	3,127
Defined contribution pension cost	2,140
	111,341

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including the Directors of the Company listed on page 1, and the Financial Controller of the Company.

	2020 £
Salary	33,950
Defined contribution scheme costs	970
	34,920

The monthly average number of persons, including the Directors, employed by the Company during the period was as follows:

	2020 No.
Employees and directors	4
	4

8. Directors' remuneration

	2020 £
Directors' emoluments	33,950
Company contributions to pension schemes	970
	34,920

9. Finance income and expense

Recognised in profit or loss

	2020 £
Finance expense	
Bank interest payable	858
Total finance expense	**858**
Net finance expense recognised in profit or loss	**(858)**

10. Tax expense

10.1 Income tax recognised in profit or loss

	2020 £
Current tax on profits for the period	-
Total current tax	**-**

The reasons for the difference between the actual tax charge for the period and the standard rate of corporation tax in the United Kingdom applied to losses for the period are as follows:

	2020 £
(Loss)/profit for the period	(336,527)
(Loss)/profit before income taxes	**(336,527)**
Tax using the Company's domestic tax rate of 19%	(63,940)
Movement in tax losses	63,940
Total tax expense	**-**

11. Operating loss

	2020
	£
Operating loss is stated after charging:	
Depreciation	260
Auditors remuneration	9,000

12. Property, plant and equipment

	Computer equipment £
Cost or valuation	
Additions	6,229
At 31 December 2020	**6,229**
	£
Accumulated depreciation and impairment	
Charge for the period on owned assets	260
At 31 December 2020	**260**
Net book value	
At 31 December 2020	5,969

13. Intangible asset

	2020 £
Cost or valuation	
Customer listing	**143,845**
	143,845

14. Trade and other receivables

	2020 £
Trade receivables	**56,822**
Trade receivables - net	**56,822**
Receivables from related parties	**26,971**
Total financial assets other than cash and cash equivalents classified as loans and receivables	**83,793**
Other receivables	**1,214**
Total trade and other receivables	**85,007**

As at 31 December 2020 there are debtors past due of £9,596.

15. Trade and other payables

	2020 £
Trade payables	23,216
Payables to related parties	597,714
Other payables	50,971
Accruals	17,000
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	**688,901**
Other payables - tax and social security payments	25,462
Total trade and other payables	**714,363**

16. Provisions

	£
Charged to profit or loss	13,797
At 31 December 2020	**13,797**
Due within one year or less	13,797
	13,797

Provisions are in relation to customer returns.

17. Share capital

Authorised

	2020 Number	2020 £
Shares treated as equity		
Ordinary shares shares of £1 each	5,000	5,000
	5,000	5,000

17. Share capital (continued)

Issued and fully paid

	2020 Number	2020 £
Ordinary shares shares of £1 each		
Shares issued	5,000	5,000
At 31 December	**5,000**	**5,000**

18. Reserves

Profit and loss account

Profit and loss account includes all retained profits and losses after deduction dividends.

The Statement of changes in equity, sets out share capital as explained below:

Share capital

The balance classified as share capital includes the total nominal value of the company's equity share capital, comprising £1 ordinary shares.

19. Risk management

Market risk

The fashion and luxury sector is characterized by significant seasonality. Every season the company launches new collections subject to customer's appreciation and therefore sales are dependent on the success of each season's collection.

Currency risk
The exchange rate risk derive primarily from purchases made by the company from Italy, where the denominating currency is Euro. The risk in this area is minimized as most of the company purchases are in GBP.

20. Financial instruments

	2020 £
Financial assets	
Financial assets measured at amortised cost	85,007
Financial liabilities	
Financial liabilities measured at amortised cost	688,401

Financial assets measured at amortised costs comprise of trade debtors, other debtors, accrued income and amounts owing from group undertakings.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors, accruals and amounts owed to group undertakings.

21. Controlling party

The company is controlled by Thélios S,p.a., a corporation registered in Italy who owns 100% of the issued share capital.

22. Business combinations

(i) Marcolin UK Limited

During the period, Thélios UK Limited, acquired a business unit of Marcolin UK Limited through intercompany loans and aquired debtors of £151,395 as part of the business unit acquisition. The underlying natue of the transaction is that of a business combination under IFRS 3. The directors consider the fair value of the intangible assets aquired to be £143,845 as at 31 December 2020 and this is the value included in the financial statements - see note 13.

23. Notes supporting the cashflow

	2020 £
Cash at bank available on demand	161,812
Cash and cash equivalents in the statement of financial position	161,812
Cash and cash equivalents in the statement of cash flows	161,812

24. Related Party Transactions

Thélios UK Limited is 100% owned by Thélios S.P.A, a company registered in Italy.

The ultimate controlling party are the shareholders of LVMH, a company registered in Paris France.

During the year Thélios UK Limited incured costs of £187,973 and made payments of £nil to Thélios S.P.A. At the balance sheet date the company owed £187,973 to Thélios S.P.A which is shown within 'Payables to related parties" in note 15 to these financial statements.

During the year Thélios UK Limited incured costs of £382,770 and made payments of £nil to Marcolin Group. At the balance sheet date the company owed £409,741 to Marcolin Group which is shown within 'Payables to related parties' in note 15 to these financial statements. At the balance sheet date the company was owed £26,971 from Marcolin Group which is showing within 'Receivables from related parties' in note 14.

25. Reconciliation of net cash flow movement in net debt

	At January 2020 £	Cash flows	Other Movements	At 31 December 2020 £
Cash at bank and in hand:	-	161,812	-	**161,812**
Debt due within 1 year	-	(597,714)	-	**(597,714)**
	-	(436,098)	-	**(436,098)**

26. Events after the reporting date

There have been no significant events affecting the Company since the year end.