

Le Chameau Holdings Limited

**Annual Report and Financial Statements
for the year to 31 December 2016**

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LE CHAMEAU HOLDINGS LIMITED
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LE CHAMEAU HOLDINGS LIMITED

Directors' Report

For the year to 31 December 2016

The Directors present their report, together with the audited financial statements, for the year to 31 December 2016.

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

Principal activity and business review

Le Chameau Holdings Limited ("LCHL" or the "Company") is a wholly owned subsidiary of Silvercloud Investments Limited ("SIL"). Its ultimate parent company is Le Chameau Group plc ("LCG", formerly "Marwyn Management Partners plc").

In 2012 the Company purchased Le Chameau Holdings SAS and its subsidiaries ("Le Chameau"), the luxury boot making business, for a total consideration of €16.5 million. The principal activity of the Company is as a holding company for the Le Chameau business. As at 31 December 2016, Le Chameau is the Company's only operating investment.

Since acquiring Le Chameau it has been apparent that alongside the long term growth potential of the business in new markets, there were significant unaddressed opportunities for operational improvement in the business across distribution, manufacturing, marketing and product range including scope for product rationalisation. These areas are being addressed with the aim of increasing sales and generating higher margins, as well as acting as a foundation for the development of the business in new markets.

As a result, a number of improvements were in transition or completed during 2016. The cost of executing these initiatives alongside the seasonal working capital requirements has required LCG's largest shareholder, Marwyn Value Investors LP, to extend a facility to LCG in 2016 of £7.4 million with a further extension in April 2017 to increase the total facility to £14.7 million.

During 2017 the focus of Le Chameau will be to launch e-commerce in the US and Germany, where management considers there to be considerable growth opportunities, expand the UK e-commerce offering, and continue to grow the existing international distribution model. The core boot range is the foundation of the business and is widely considered best in class. Le Chameau remains well positioned to open new markets and increase its share of the European and global branded rubber boot market.

Results and dividends

The Company made a profit of £58 for the financial year ended 31 December 2016 (2015: £774). No dividends have been recommended or paid for the year ended 31 December 2016 or the prior year.

Directors

The following Directors served during the year and up to the date of the signing of the financial statements:

Mark Watts	Executive Director
James Corsellis	Executive Director
Mark Kirkland	Executive Director (resigned 12 December 2016)

Directors' Interests

There were no contracts or share schemes existing during, or at the end of the year in which any Director is, or was, materially interested in which are, or were, significant in relation to the business of the Company.

Charitable donations and political contributions

The Company made no charitable or political donations during the year.

Financial risk management

The Company is exposed to foreign exchange risk, primarily with respect to the Euro. Foreign exchange risk arises due to a cash balance held in Euros. The Company may hedge foreign exchange exposure through the use of spot and forward exchange contracts; however none have been entered into by the Company in the current or prior year.

Going concern

After reviewing the Company's budget for the next 12 months from the date of this report, its liquid resources and its medium term plans, and seeking assurances from LCG regarding its willingness to support the company for the next 12 months, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and, accordingly, consider that it is appropriate to adopt the going concern basis in preparing these financial statements.

Statement of Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101).

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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

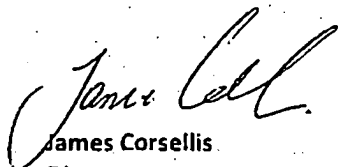
Independent auditors and disclosure of information to auditors

In accordance with Companies Act 2006, all Directors in office as at the date of this report have confirmed:

- As far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware and;
- The Directors have taken all the steps that he ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

LE CHAMEAU HOLDINGS LIMITED
Directors' Report
For the year to 31 December 2016

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.
On behalf of the Board



James Corsellis
Director
26 September 2017

LE CHAMEAU HOLDINGS LIMITED

Independent Auditors' Report to the Members of Le Chateau Holdings Limited

Report on the financial statements

Our opinion

In our opinion Le Chateau Holdings Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit and cash flows 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.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Statement of Financial Position as at 31 December 2016;
- the Income Statement for the year then ended;
- the Cash flow statement for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

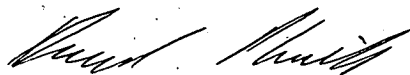
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Darryl Phillips (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

29 September 2017

LE CHAMEAU HOLDINGS LIMITED
Income Statement
For the year to 31 December 2016

		For the year to 31 December 2016	For the year to 31 December 2015
	Note	£	£
Foreign exchange gain		73	774
Operating profit/(loss)		73	774
Tax on profit	5	(15)	-
Profit for the financial year		58	774

The Company has not prepared a Statement of Other Comprehensive Income as the Company does not have any other comprehensive income other than profit for the financial year to report. The notes on pages 10 to 13 form an integral part of these financial statements.

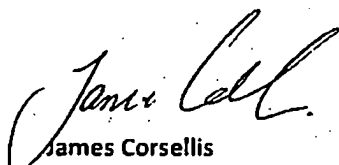
All amounts relate to continuing operations.

There is no material difference between the profit before taxation and the profit for the financial year stated above and their historical cost equivalents.

LE CHAMEAU HOLDINGS LIMITED
Statement of Financial Position
As at 31 December 2016

	Note	As at 31 December 2016 £	As at 31 December 2015 £
Fixed assets			
Investments	6	16,580,833	16,580,833
Current assets			
Cash at bank and in hand		847	774
Total current assets		847	774
Creditors: Amounts falling due within one year		(15)	-
Total assets less current liabilities		16,581,665	16,581,607
Capital and reserves			
Called up share capital	7	16,580,833	16,580,833
Profit and loss account	8	832	774
Total shareholders' funds		16,581,665	16,581,607

The notes on pages 10 to 13 form an integral part of the financial statements. The financial statements were approved by the Board of Directors of Le Chateau Holdings Limited, a private limited company incorporated in England with registered number 08201708 on 26 September 2017 and were signed on its behalf by:


James Corsellis
Director

LE CHAMEAU HOLDINGS LIMITED
Statement of Changes in Equity
For the year to 31 December 2016

	Called up share capital	Profit and loss account	Total shareholders' funds
	£	£	£
Balance at 1 January 2015	6,760,610	-	6,760,610
Issue of share capital	9,820,223	-	9,820,223
Profit for the financial year	-	774	774
Balance at 31 December 2015	16,580,833	774	16,581,607
Profit for the financial year	-	58	58
Balance at 31 December 2016	16,580,833	832	16,581,665

LE CHAMEAU HOLDINGS LIMITED
Cash Flow Statement
For the year to 31 December 2016

	For the year to 31 December 2016	For the year to 31 December 2015
	£	£
Cash flows from operating activities		
Profit for the financial year	58	774
Decrease in debtors	-	782,656
Increase/(Decrease) in creditors	15	(783,430)
Net cash inflow from operating activities	73	-
Cash flow from investing activities		
Acquisition of subsidiaries	-	(9,820,223)
Net cash outflow from investing activities	-	(9,820,223)
Cash flows from financing		
Proceeds from issue of shares	-	9,820,223
Net cash inflow from financing activities	-	9,820,223
Net increase in cash and cash equivalents	73	-
Cash and cash equivalents at the beginning of the year	774	774
Cash and cash equivalents at the end of the year	847	774

1. Reporting entity

Le Chateau Holdings Limited is a private company limited by shares incorporated and domiciled in England, United Kingdom. The address of the registered office is 11 Buckingham Street, London, WC2N 6DF. The Company is a wholly owned subsidiary of Silvercloud Investments Limited ("SIL"). The Company's ultimate parent company at 31 December 2016 is Le Chateau Group plc ("LCG") (formerly "Marwyn Management Partners plc"). The Company is solely invested in the Le Chateau operating group.

2. Accounting policies

(a) Basis of preparation

These financial statements of the Company are presented as required by the Companies Act 2006 as applicable to companies using FRS 101 and have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework (FRS 101)'. The financial statements are prepared on a going concern basis and under the historical cost convention.

The Company's ultimate parent is LCG, and the Company is included in the consolidated financial statements of LCG, which are publicly available. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. The address of the ultimate parent's registered office is 11 Buckingham Street, London, WC2N 6DF. These financial statements are separate financial statements. The principal accounting policies, which have been applied consistently throughout the period, are set out below.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The requirements of IFRS 7 Financial Instruments: Disclosures, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated;
- The requirements of paragraph 17 of IAS 24 Related Party Disclosures.

(b) Critical accounting estimates and assumptions

There are no significant accounting estimates or assumptions used in the financial statements.

(c) Investments in subsidiary undertakings

Investments held as fixed assets are stated at cost less any provision for permanent diminution in value.

(d) Cash

Cash includes cash in hand and bank deposits repayable on demand.

(e) Foreign exchange gain/losses

Transactions in foreign currencies are translated to pounds sterling at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency, pounds sterling, at the exchange rate at that date. Foreign currency differences arising on retranslation are recognised in profit or loss.

(f) New standards, amendments and IFRIC interpretations

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2016, have had a material impact on the Company.

LE CHAMEAU HOLDINGS LIMITED
Notes to the Financial Statements
For the year to 31 December 2016

3. Directors and employees

Except for the Executive Directors, the Company had no employees during the year (2015: none). In accordance with their service agreements, the Executive Directors do not receive a fee for their services.

4. Administrative expenses

Consistent with prior year, audit, administration and statutory fees are borne by the Company's ultimate parent, LCG.

5. Tax on profit

	For the year to 31 December 2016	For the year to 31 December 2015
	£	£
Profit before taxation	73	774
Profit before taxation multiplied by standard rate in the UK 20% (2015: 20.25%)	15	157
Tax effects of:		
- Group loss relief utilised	-	(157)
Tax charge	15	-

Tax on profit (continued)

The main rate of corporation tax during the year was 20%. In 2015, the government announced a reduction in the rate from 20% to 19% for the year beginning 1 April 2017, with a further reduction from 19% to 18% for the year beginning 1 April 2020. In 2016, the government announced a further reduction to the Corporation Tax main rate for the year starting 1 April 2020, setting the rate at 17%.

6. Investments

	2016 £	2015 £
Subsidiary undertakings		
Cost		
At 1 January	16,580,833	6,760,610
Additions	-	9,820,223
At 31 December	16,580,833	16,580,833

The Directors consider that the value of the Subsidiary undertakings is supported by the value of their underlying assets.

The subsidiary undertakings are as follows:

Company	Registered Office	Proportion of ownership interest	Nature of business
Le Chateau Holdings SAS	40 bis, Rue Cardinet, 75017 Paris, France	100%	Holding company
Le Chateau SAS*	40 bis, Rue Cardinet, 75017 Paris, France	100%	Luxury goods manufacturer and seller

LE CHAMEAU HOLDINGS LIMITED
Notes to the Financial Statements
For the year to 31 December 2016

Sté Caoutchoutiere des Zenatas*	86, Parc Industriel CFCIM – Bouskoura, Morocco	100%	Luxury goods manufacturer,
Le Chameau Inc.*	251 Little Falls Drive, Wilmington, New Castle DE 19808, USA	100%	Luxury goods seller
Le Chameau UK Limited*	13 - 14 Old Bond Street, London, W1S 4PP, United Kingdom	100%	Luxury goods seller

**Held indirectly*

7. Called up share capital

The number of issued and allotted shares is as follows:

	2016	2016	2015	2015
	Number	Nominal value £	Number	Nominal value £
Allotted, called up and fully paid	<u>16,580,833</u>	<u>16,580,833</u>	<u>16,580,833</u>	<u>16,580,833</u>

The Company was incorporated on 4 September 2012 with a share capital of one ordinary share of £1.00. This was increased on 6 November 2012 with the allotment of a further 6,760,609 ordinary shares of £1.00 each. During 2015, a further 9,820,223 ordinary shares of £1.00 each were allotted.

8. Reconciliation of movements in shareholders' funds

	2016 £	2015 £
At beginning of year	16,581,607	6,760,610
Profit for the financial year	58	774
	-	9,820,223
Closing shareholders' funds	<u>16,581,665</u>	<u>16,581,607</u>

9. Ultimate parent undertaking

The immediate parent undertaking is Silvercloud Investments Limited and the ultimate parent undertaking is Le Chameau Group plc (formerly "Marwyn Management Partners plc"); which is the smallest and largest group to consolidate these financial statements. Copies of the Le Chameau Group plc consolidated financial statements can be obtained from the Company Secretary at 11 Buckingham Street, London, WC2N 6DF.

The ultimate controlling party is Marwyn Value Investors LP of PO Box 309, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands.

10. Related party transactions

During the year, the Company's ultimate parent, LCG entered into an agreement with Axio Capital Solutions Limited to provide company secretarial, administrative and accounting services to LCG and certain subsidiaries, including the

Company. Amounts charged to the Company by Axio under this agreement total £2,100 for 2016, all of which is payable at year end. During the year, there were no other related party transactions with the Company.

11. Post balance sheet events

At the General Meeting for the Company held on 20 July 2017, a resolution was passed to reduce the capital of the Company by the sum of £16,415,024.67, effected by a reduction of the nominal value of each of the 16,580,833 ordinary shares in the capital of the Company from £1.00 per Ordinary Share to £0.01 per Ordinary Share.