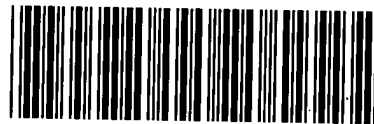


LE CHAMEAU HOLDINGS LIMITED

**Annual Report and Financial Statements
for the year to 31 December 2017**

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The directors present the strategic report, together with the audited financial statements, for the year to 31 December 2017.

Principal activities

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").

In 2012 the Company purchased Le Chameau Holdings SAS and its subsidiaries ("**Le Chameau**" or the "**Business**") 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 2017, Le Chameau is the Company's only operating investment.

Business Review

During the year the Company's indirect investment, Le Chameau, made significant progress delivering on the goals set out at the start of the year namely; achieving sales growth in core markets, supplementing the existing management team with top quality hires, growing the omni-channel strategy of the business and investment in new product lines, to launch in 2018. The business was able to achieve revenue growth of 18% on a like-for-like basis for continued core products on a constant currency basis. On an absolute basis, when including the contribution of discontinued product lines, revenue growth remained positive at 12.4%. The UK e-commerce ("**B2C**") platform, which was launched in the final quarter of 2016 continued to perform strongly, contributing over 20% of the UK's total sales during the period. Meanwhile, initial trading on the US B2C website launched in June 2017 was strong.

While the Le Chameau business has delivered top-line growth, it has required further funding to cover operating losses, exceptional costs and the seasonal working capital requirements. In April and October 2017, the Company's ultimate parent, Marwyn Value Investors LP extended the loan facility agreement with LCG, originally entered into in 2016, to £21.2 million in order to fund a number of transformation initiatives for the Le Chameau operating business. As at 31 December 2017, a valuation was performed and as a result an impairment of £16,580,833 was recognised for the year ended 31 December 2017 (2016: nil).

Strategy and Outlook

Looking forward in 2018, the Company's sole indirect investment, Le Chameau, has key initiatives which primarily focus on developing the Le Chameau brand, increasing customer opportunities to wear Le Chameau, and building a broader B2C proposition and reach. The business is in the process of launching European e-commerce websites, and partnering with Amazon in the UK and US, in addition to investing in new digital and marketing initiatives to further drive brand awareness. In order to increase the opportunities for existing and new customers to wear Le Chameau, the Business is investing in the development of new clothing and accessory product categories, set to launch in 2019. A range of junior boots will also be available from Autumn 2018.

Results and dividends

The Company made a loss of £16,608,673 for the financial year ended 31 December 2017 (2016: profit of £58). No dividends have been recommended or paid for the year ended 31 December 2017 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

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

The Company is in a net liability position of £27,008 as at 31 December 2017 (2016: net asset position of £16,581,665). The cash balance of the Company was £888 as at 31 December 2017 (2016: £847), however the directors are comfortable that creditors and accruals which amount to £17,254 at year end (2016: £15) will be paid on behalf of the Company by related parties. The Company has received a letter of support from its ultimate parent, LCG, dated 20 September 2018 confirming it will support the Company to meet its liabilities when they fall due for the next 12 months from the date of the letter. LCG has received a letter of support from its majority shareholder, Marwyn Value Investors LP ("MVI"), confirming that they will continue to provide support to the LCG for at least 12 months from 20 September 2018 and therefore, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual 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;

LE CHAMEAU HOLDINGS LIMITED

Directors' Report

For the year to 31 December 2017

- 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.

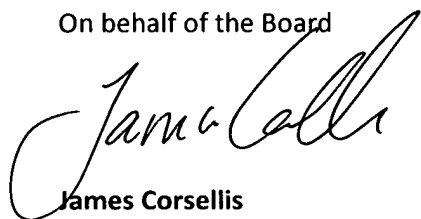
Independent auditors and disclosure of information to auditors

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.

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

On behalf of the Board



James Corsellis

Director

20 September 2018

Independent auditors' report to the members of Le Chateau Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Le Chateau Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2017; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Darryl Phillips (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
20 September 2018

LE CHAMEAU HOLDINGS LIMITED
Statement of Comprehensive Income
For the year to 31 December 2017

		For the year to 31 December 2017	For the year to 31 December 2016
	Note	£	£
Income			
Foreign exchange		35	73
		<u>35</u>	<u>73</u>
Expenses			
Operating expenses	3	(27,875)	-
Impairment	5	(16,580,833)	-
		<u>(16,608,673)</u>	<u>-</u>
(Loss)/profit before tax		(16,608,673)	73
Tax on (loss)/profit	4	-	(15)
(Loss)/profit for the financial year		(16,608,673)	58

All amounts relate to continuing operations.

The Company does not have any other comprehensive income other than the loss for the current year and prior year to report and a statement of comprehensive income has therefore not been presented.

The notes on pages 9 to 13 form an integral part of these financial statements.

LE CHAMEAU HOLDINGS LIMITED

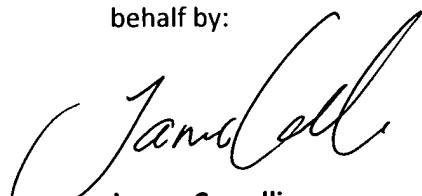
Statement of Financial Position

As at 31 December 2017

	Note	As at 31 December 2017 £	As at 31 December 2016 £
Non-current assets			
Investments	5	-	16,580,833
Total non-current assets		-	16,580,833
Current assets			
Cash and cash equivalents		888	847
Trade and other receivables	6	2,100	-
Total current assets		2,988	847
Total assets		2,988	16,581,680
Current liabilities			
Trade and other payables	7	(17,254)	(15)
Intercompany payables	12	(12,742)	-
Total liabilities		(29,996)	(15)
Net liabilities		(27,008)	16,581,665
Capital and reserves			
Called up share capital	8	165,808	16,580,833
Share premium account	8	-	-
Profit and loss account	10	(192,816)	832
Total shareholders' funds		(27,008)	16,581,665

The notes on pages 9 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 20 September 2018 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 2017

	Notes	Called up share capital	Share premium	Profit and loss account	Total shareholders' funds
		£	£	£	£
Balance at 1 January 2016		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
Loss for the financial year		-	-	(16,608,673)	(16,608,673)
Capital reduction	8	(16,415,025)	-	16,415,025	-
Balance at 31 December 2017		165,808	-	(192,816)	(27,008)

The notes on pages 9 to 13 form an integral part of the financial statements.

1. GENERAL INFORMATION

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 2017 is Le Chateau Group plc ("LCG"). The Company is solely invested in the Le Chateau operating group.

2. ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements represent the year ended 31 December 2017 and 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. 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; and
- IAS 7, 'Statement of cash flows'.

The above disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of LCG into which the Company is consolidated.

(b) Critical accounting estimates and assumptions

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

LCG conducts a valuation of the Le Chateau operating business at each year end and considers the carrying value of the Company's investment, as its fair value less costs of sale based on the future value of the business from a 5 year growth plan. A long term forecast is produced by management to enable the estimation of forward-looking financial performance, which provides the basis for the discounted cash flow valuation technique. The forecast budgets used have been approved by management and reflect the past performance of the cash generating unit, the expected growth of each area of the business and target margins. A discounted cash flow approach is applied to estimate the present value of expected future cash flows. This approach is appropriate where short term earnings and revenue may not provide the best estimate of longer term value. Given the negative short term cash flow of the Le Chateau business and the high growth expected, a discounted cash flow valuation approach best captures the fair value. A discount rate of 10% has been applied in determining the appropriate fair value. A terminal growth rate of 2% has been applied to cash flows beyond 2022, which is consistent with the long-term average growth rate for the products and the luxury goods industry. As a result of the discounted cash flow valuation, and the debt owed by Le Chateau Holdings SAS to Marwyn Management Partners Subsidiary Limited, the value of the Company's investment has been impaired by £16 million.

2. ACCOUNTING POLICIES (continued)

Key assumptions

The key assumptions for the value in use calculations are those regarding discount rates, growth rates and projected cash flows.

(c) Investments in subsidiary undertakings

Investments in subsidiaries are held at cost less accumulated impairment losses.

(d) Cash and cash equivalents

Cash and cash equivalents comprise of cash balances.

(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 2017, have had a material impact on the Company.

(g) Going Concern

The Company is in a net liability position of £27,008 as at 31 December 2017 (2016: net asset position of £16,581,680). The cash balance of the Company was £888 as at 31 December 2017 (2016: £847), however the directors are comfortable that creditors and accruals which amount to £17,254 at year end (2016: £15) will be paid on behalf of the Company by related parties. The directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

2. DIRECTORS AND EMPLOYEES

Except for the executive directors, the Company had no employees during the year (2016: none). In accordance with their service agreements, the executive directors do not receive a fee for their services.

3. OPERATING EXPENSES

	Year ended 31 December 2017	Year ended 31 December 2016
	£	£
Administrative expenses	10,109	-
Professional fees	17,766	-
Total administrative expenses	27,875	-

4. TAX ON (LOSS)/PROFIT

	Year ended 31 December 2017	Year ended 31 December 2016
	£	£
(Loss)/profit before taxation	(16,608,673)	73
(Loss)/profit before taxation multiplied by standard rate in the UK (2017: 19.25%, 2016: 20%)	(3,197,170)	15
Tax effects of unutilised current year expenses carried forward	3,197,170	-
Tax on (loss)/profit	-	15

The main rate of corporation tax during the year was 19.25% (2016: 20%). No tax for the Company is due for the current year, as the Company has made a tax loss. No deferred tax assets have been recognised as the timing and occurrence of profits for future recovery of tax assets is uncertain. The Company had an estimated £27,855 of tax losses carried forward as at 31 December 2017 (2016: nil).

5. INVESTMENTS

	2017 £	2016 £
Subsidiary undertakings		
Cost		
At 1 January	16,580,833	16,580,833
Impairments	(16,580,833)	-
At 31 December	-	16,580,833

During the year, the an impairment of £16,580,833 was recognised for the Company's investment in its subsidiary, Le Chameau Holdings SAS. The subsidiary undertakings as at 31 December 2017 are as follows:

Company	Registered Office	Proportion of ownership interest	Nature of business
Le Chameau Holdings SAS	115 bis, Rue Cardinet, 75017 Paris, France	100%	Holding company
Le Chameau SAS*	115 bis, Rue Cardinet, 75017 Paris, France	100%	Luxury goods manufacturer and seller
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

6. TRADE AND OTHER RECEIVABLES

	As at 31 December 2017	As at 31 December 2016
	£	£
Prepayments	2,100	-
	<u>2,100</u>	<u>-</u>

7. TRADE AND OTHER PAYABLES

	As at 31 December 2017	As at 31 December 2016
	£	£
Trade payables	8,754	-
Accruals	8,500	-
	<u>17,254</u>	<u>-</u>

8. SHARE CAPITAL

The number of issued and allotted shares is as follows:

	2017	2017	2016	2016
	Number	Nominal value £	Number	Nominal value £
Allotted, called up and fully paid	16,580,833	165,808	16,580,833	16,580,833

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.

At a General Meeting of the Company held on 20 July 2017, a special resolution was passed to reduce the capital of the Company by the sum of £16,415,024.67, affected 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.

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2017 £	2016 £
At beginning of year	16,581,665	16,581,607
(Loss)/profit for the financial year	(16,608,673)	58
Closing shareholders' funds	<u>(27,008)</u>	<u>16,581,665</u>

10. RESERVES

The following describes the nature and purpose of each reserve within the shareholders' equity:

Retained earnings

Cumulative net gains and losses recognised in the statement of comprehensive income. The reduction of capital, reducing the nominal value of each ordinary share from £1.00 to £0.01 as described in note 8 is included in retained earnings.

11. RELATED PARTY TRANSACTIONS

Mark Brangstrup Watts and James Corsellis are ultimate beneficial owners of Axio Capital Solutions Limited which provides company secretarial, administrative and accounting services to the Company. During the year, Axio Capital Solutions charged £10,498 (2016: nil) in respect of services supplied to the Company, and was owed an amount of £4,854 (2016: £nil) at the balance sheet date.

12. INTERCOMPANY PAYABLES

	As at 31 December 2017 £	As at 31 December 2016 £
Entities within the LCG Group:		
Marwyn Management Partners Subsidiary Limited	(5,719)	-
Silvercloud Management Holdings Limited	(2,100)	-
LCG	(4,923)	-
Total	<u><u>(12,742)</u></u>	<u><u>-</u></u>

13. ULTIMATE PARENT UNDERTAKING

The parent undertaking is Silvercloud Investments Limited and the ultimate parent undertaking is LCG, which is the smallest and largest group to consolidate these financial statements. Copies of the LCG consolidated financial statements can be obtained from the Companies House website or at the registered office 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.

14. POST BALANCE SHEET EVENTS

There have been no material post balance sheet events that would require disclosure or adjustment to these financial statements.