

LE CHAMEAU HOLDINGS LIMITED
GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD
1 JANUARY 2023 TO 31 MARCH 2024

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2023 TO 31 MARCH 2024**

	Page
Company Information	1
Group Strategic Report	2 to 5
Report of the Directors	6
Report of the Independent Auditors	7 to 9
Consolidated Income Statement	10
Consolidated Other Comprehensive Income	11
Consolidated Statement of Financial Position	12
Company Statement of Financial Position	13
Consolidated Statement of Changes in Equity	14
Company Statement of Changes in Equity	15
Consolidated Statement of Cash Flows	16
Notes to the Consolidated Statement of Cash Flows	17
Notes to the Consolidated Financial Statements	18 to 31

LE CHAMEAU HOLDINGS LIMITED

COMPANY INFORMATION

FOR THE PERIOD 1 JANUARY 2023 TO 31 MARCH 2024

DIRECTORS:

C E B Cavell-Taylor
J S McEuen
W Alli
Silvercloud (Bvi) Limited

SECRETARY:

Ms A Vanderpuije

REGISTERED OFFICE:

16 Mill Street
Oakham
Rutland
LE15 6EA

REGISTERED NUMBER:

08201708 (England and Wales)

AUDITORS:

Duncan & Toplis Audit Limited, Statutory Auditor
14 All Saints Street
Stamford
Lincolnshire
PE9 2PA

**GROUP STRATEGIC REPORT
FOR THE PERIOD 1 JANUARY 2023 TO 31 MARCH 2024**

The directors present their strategic report of the company and the group for the period 1 January 2023 to 31 March 2024.

REVIEW OF BUSINESS

Strategic management

The group's strategy and objectives are to develop the Le Chameau brand within the United Kingdom, Europe and other markets.

Business environment

The business environment presented mixed economic conditions during the period. Supply chain conditions improved compared to prior periods, while inflation moderated but remained a factor influencing consumer spending and operational costs. The premium retail segment demonstrated resilience as consumers continued to prioritise quality and longevity in their purchasing decisions. Interest in outdoor and country lifestyle pursuits maintained momentum, naturally adjusting from the exceptional levels seen during the immediate post-Covid period.

Business performance

Le Chameau is a leading premium footwear brand, founded in Cherbourg, France in 1927 by Claude Chamot to produce high-quality handmade natural rubber boots offering unmatched comfort and durability. With the company approaching its 100th anniversary, Le Chameau's distinctive rubber boots serve a wide range of customers, including outdoor professionals, country-sports enthusiasts, and those pursuing outdoor activities from both rural and urban communities. Known for its expertise in technical outdoor footwear, Le Chameau has a loyal customer base, prominent brand ambassadors and a growing presence in new customer segments.

The board consider that the key performance indicators for the group are those that communicate the financial performance and strength of the group as a whole. The key financial highlights are as follows:

	Period 1.1.23 to 31.3.24	Year ended 31.12.22	Change
	£m	£m	%
Revenue	23.7	17.8	33.4
Gross profit	13.1	11.0	19.7
Gross margin %	55.3%	61.6%	(6.3)
EBITDA before exceptionals	(1.8)	1.4	

The business has amended its financial year end to 31 March (previously 31 December) to align with the completion of its seasonal trading peak from Autumn to early Spring.

Le Chameau has delivered a consistent trading performance over the last four years, with revenue growing at 12% CAGR to reach c.£19 million in the 12 months to March 2024. This growth has been across the business, but particularly via an acceleration in sales through the direct to consumer channel, with e-commerce revenue growing at 21% CAGR over the same period, and now accounting for approximately a third of total sales.

The EBITDA loss in the period reflects investment in people and sales and marketing costs to position the business for growth and scale in existing and new markets, with a renewed focus on further developing the brand, building on deep engagement within certain consumer segments and broadening awareness to new audiences.

With recent additions to the leadership and senior management team, including Waheed Alli as Chair and a new Chief Financial & Operating Officer and a Chief Digital Officer, the business is focused on defining its strategic objectives and delivering its growth initiatives in the run up to the centenary year in 2027.

Le Chameau continues to develop and deploy strategic initiatives aimed at enhancing brand value and expanding market reach, including building on its history of successful collaborations with luxury brands to further elevate its brand position.

**GROUP STRATEGIC REPORT
FOR THE PERIOD 1 JANUARY 2023 TO 31 MARCH 2024**

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks arising from the group's activities are liquidity risk, interest rate risk, credit risk and supply chain risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Liquidity risk

Liquidity risk is the risk that the group is unable to meet its payment obligations associated with its liabilities as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation. The group determines its liquidity requirements by the use of cash flow forecasts. On at least an annual basis, the board reviews and approves any funding requirements of the group which they continue to monitor and review on an ongoing basis.

Interest rate risk

Interest rate risk is managed by regular review of fixed and variable rate facilities available from the group's bankers.

Credit risk

Credit risk is managed by constant monitoring of the creditworthiness of customers and by identifying and addressing any credit issues in a timely manner.

Supply chain risk

In the period our factory in Morocco shipped to our warehouses in the UK, Europe and North America. The business has developed a raw materials demand planning model to mitigate future risk of stock shortages and to hold appropriate levels of key raw materials to enable the factory to meet production demands of finished goods.

**GROUP STRATEGIC REPORT
FOR THE PERIOD 1 JANUARY 2023 TO 31 MARCH 2024**

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

Environmental

For nearly 100 years we have been producing high quality hand-made natural rubber boots to keep country professionals and enthusiasts dry and comfortable for long days outdoors. We take pride in our deep connection to the countryside and the sea: to farmers, fishermen, field sports enthusiasts and gardeners. We recognise that this natural world that we love and thrive in is coming under increasing threat from climate change and human activity and we understand that by producing and selling products, we are playing a part in this damage and that we must act to counter our impact.

Over the last year we have built up our internal expertise to better understand the impact we have on the planet. We have been looking in detail at our supply chain and considering the raw materials we use in the production of our boots. Our product development team are assessing the composition of our boots looking at sourcing alternatives and more sustainable materials, whilst maintaining the highest quality of product.

All key suppliers have signed up to our Vendor Compliance Manual and Operations Guide which highlights our required ESG standards, including factory auditing. In the upcoming year we will build further on our vendor assessments and further our knowledge of the full supply cycle.

Going forward, our objective is to determine a product specific carbon footprint measure, which will extend to our suppliers and raw materials.

We have also identified a number of potential solutions to reducing our carbon footprint, which we are looking into further as well as auditing our suppliers and raw material sourcing, which will include physical visits and verification of any certification or accreditation.

We are continually looking to improve our business and will continue to invest more time and resources in the bigger changes we need to make as a business to reduce our impact on the planet. We measure our impact at a corporate level, assessing our carbon footprint for physical premises and our manufacturing, looking at:

- Business travel
- Employee commuting
- Electricity and gas (energy usage)
- Vehicle fleet
- Refrigerant

The Moroccan factory continually reviews processes and identifies opportunities to benefit sustainability and production efficiency. We continue to focus on quality, longevity and minimising waste.

Social

We appreciate and value our people. The Le Chameau Maîtres Bottiers have been making boots by hand for nearly 100 years with traditional skills passed from generation to generation. We continue to make continuous improvement to our factory in Morocco, investing in health and safety improvements on all equipment, workstations and tools.

To reduce safety incidents the business undertakes safety audits with production and maintenance supervisors on a weekly basis. This is followed up by safety training for supervisors and operators. Quarterly company meetings are held to reinforce commitment to plant and personal safety. The action plans associated with all these meetings and audits are monitored and directed by the QHSE department.

We are committed to investing in our staff. We have a programme for training bootmakers at our factory and provide several soft skill training programmes which are available to all our Moroccan staff, such as language and IT courses.

Le Chameau is the chosen supplier of the French lifeboat organisation, Société Nationale de Sauvetage en Mer ("SNSM"). Through promotions of our leisure marine products donations are made to the SNSM. During the year we also donated to various charitable causes including The Dog Trust, Prince's Countryside Trust (part of the Prince's Trust), Ligue Contre Le Cancer and ONF-Act for the forest.

**GROUP STRATEGIC REPORT
FOR THE PERIOD 1 JANUARY 2023 TO 31 MARCH 2024**

Governance

Le Chateau already has in place a structured governance framework, with the directors meeting formally on a monthly basis and meeting both in person and via video-calls frequently on an informal basis. The chairman of the group is responsible for leading the board meetings and the board meeting agenda. Board packs are circulated in advance of the board meetings and include an executive summary as well as details on sales, marketing and ecommerce, a report from the finance director, product development and production, supply chain and operations, manufacturing, IT and ESG. The materials presented and discussed at board meetings are critical to the directors making the right strategic decisions for the business. Given their importance the directors have continued to feed back on the board materials to further refine and improve these during the year and as part of these updates the board receive department specific in-depth updates on a periodic basis from department heads.

ON BEHALF OF THE BOARD:

C E B Cavell-Taylor - Director

31 March 2025

**REPORT OF THE DIRECTORS
FOR THE PERIOD 1 JANUARY 2023 TO 31 MARCH 2024**

The directors present their report with the financial statements of the company and the group for the period 1 January 2023 to 31 March 2024.

PRINCIPAL ACTIVITIES

The principal activities of the group in the period under review were those of the manufacture and sale of premium wellington boots and accessories.

DIVIDENDS

No dividends will be distributed for the period ended 31 March 2024.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2023 to the date of this report.

C E B Cavell-Taylor
J S McCuen

Other changes in directors holding office are as follows:

Silvercloud Holdings Limited - resigned 8 March 2024
W Alli appointed 15 August 2023
Silvercloud (Bvi) Limited - appointed 8 March 2024

FINANCIAL INSTRUMENTS

The group's principal financial instruments comprise cash, bank and other loan term borrowings and other creditors and debtors that directly arise from its operations.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the profit or loss of the group 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;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

ON BEHALF OF THE BOARD:

C E B Cavell-Taylor - Director

31 March 2025

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LE CHAMEAU HOLDINGS LIMITED

Opinion

We have audited the financial statements of Le Chameau Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 March 2024 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 March 2024 and of the group's loss for the period 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.

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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 group's and the parent 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 directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

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 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.

Opinions 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LE CHAMEAU HOLDINGS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page six, 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 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 group's and the parent 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 group or the parent 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We have identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial experience, knowledge of the sector, a review of regulatory and legal correspondence and through discussions with directors and other management obtained as part of the work required by auditing standards. We have also discussed with the directors and other management the policies and procedures relating to compliance with laws and regulations. We communicated laws and regulations throughout the team and remained alert to any indications of non-compliance throughout the audit. The potential impact of different laws and regulations varies considerably.

Firstly, the group is subject to laws and regulations that directly impact the financial statements (for example financial reporting legislation) and we have assessed the extent of compliance with such laws as part of our financial statements audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including risk of override of controls) and determined that the principal risks were related to management bias in accounting estimates as well as the risk of inappropriate journal entries to increase reported profitability. Audit procedures performed by the engagement team included the identification and testing of unusual material journal entries and challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. We carried out substantive tests on accounting estimates, including reviewing the methods and data used by management to make those estimates, reperforming the calculation and reviewing the outcome of current year estimates since the financial reporting date.

Secondly, the group is subject to other laws and regulations where the consequence for non-compliance could have a material effect on the amounts or disclosures in the financial statements. We identified the following areas as those most likely to have such an effect: Health and safety regulations, consumer rights and employment law.

Our work included a review of relevant correspondence within the year for any evidence of non-compliance and reading minutes of meetings of those charged with governance. In addition, an assessment of the group's legal expenses and possible contingencies was performed. Through these procedures, if we became aware of any non-compliance, we considered the impact on the procedures performed on the related financial statement items.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LE CHAMEAU HOLDINGS LIMITED

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. As with any audit, there is a greater risk of non-detection of irregularities as these may involve collusion, intentional omissions of the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

Alistair Main BFP FCA (Senior Statutory Auditor)
for and on behalf of Duncan & Toplis Audit Limited, Statutory Auditor
14 All Saints Street
Stamford
Lincolnshire
PE9 2PA

31 March 2025

CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD 1 JANUARY 2023 TO 31 MARCH 2024

		Period 1.1.23 to 31.3.24 £'000	Year Ended 31.12.22 £'000
	Notes		
REVENUE	3	23,743	17,790
Cost of sales		<u>10,620</u>	<u>6,830</u>
GROSS PROFIT		13,123	10,960
Administrative expenses		<u>15,666</u>	<u>9,892</u>
OPERATING (LOSS)/PROFIT	5	(2,543)	1,068
Exceptional items	6	<u>1,760</u> (4,303)	<u>177</u> 891
Interest payable and similar expenses	7	<u>443</u>	<u>150</u>
(LOSS)/PROFIT BEFORE TAXATION		(4,746)	741
Tax on (loss)/profit	8	<u>18</u>	<u>38</u>
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD		<u>(4,764)</u>	<u>703</u>
(Loss)/profit attributable to:			
Owners of the parent		<u>(4,764)</u>	<u>703</u>

CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE PERIOD 1 JANUARY 2023 TO 31 MARCH 2024

	Notes	Period 1.1.23 to 31.3.24 £'000	Year Ended 31.12.22 £'000
(LOSS)/PROFIT FOR THE PERIOD		(4,764)	703
OTHER COMPREHENSIVE INCOME			
Foreign currency exchange difference		(78)	(333)
Income tax relating to other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX		(78)	(333)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>(4,842)</u>	<u>370</u>
Total comprehensive income attributable to: Owners of the parent		<u>(4,842)</u>	<u>370</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 MARCH 2024

	Notes	2024 £'000	£'000	2022 £'000	£'000
FIXED ASSETS					
Intangible assets	10		4		6
Property, plant and equipment	11		3,038		2,565
Investments	12		-		-
			<u>3,042</u>		<u>2,571</u>
CURRENT ASSETS					
Inventories	13	6,110		8,137	
Debtors	14	3,904		4,611	
Cash at bank		<u>5,969</u>		<u>3,388</u>	
		15,983		16,136	
CREDITORS					
Amounts falling due within one year	15	<u>3,415</u>		<u>3,948</u>	
NET CURRENT ASSETS			<u>12,568</u>		<u>12,188</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>15,610</u>		<u>14,759</u>
CREDITORS					
Amounts falling due after more than one year	16		(138)		(6,257)
PROVISIONS FOR LIABILITIES	19		<u>(512)</u>		<u>(314)</u>
NET ASSETS			<u><u>14,960</u></u>		<u><u>8,188</u></u>
CAPITAL AND RESERVES					
Called up share capital	20		879		574
Share premium	21		51,790		40,481
Foreign currency reserve	21		580		658
Retained earnings	21		<u>(38,289)</u>		<u>(33,525)</u>
SHAREHOLDERS' FUNDS			<u><u>14,960</u></u>		<u><u>8,188</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 31 March 2025 and were signed on its behalf by:

C E B Cavell-Taylor - Director

COMPANY STATEMENT OF FINANCIAL POSITION
31 MARCH 2024

	Notes	2024 £'000	2022 £'000
CURRENT ASSETS			
Debtors	14	11,300	1,332
Cash at bank		<u>2,042</u>	<u>433</u>
		13,342	1,765
CREDITORS			
Amounts falling due within one year	15	<u>30</u>	<u>30</u>
NET CURRENT ASSETS		<u>13,312</u>	<u>1,735</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>13,312</u>	<u>1,735</u>
CAPITAL AND RESERVES			
Called up share capital	20	879	574
Share premium	21	51,790	40,481
Retained earnings	21	<u>(39,357)</u>	<u>(39,320)</u>
SHAREHOLDERS' FUNDS		<u>13,312</u>	<u>1,735</u>
Company's loss for the financial year		<u>(37)</u>	<u>(87)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 31 March 2025 and were signed on its behalf by:

C E B Cavell-Taylor - Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1 JANUARY 2023 TO 31 MARCH 2024

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Foreign currency reserve £'000	Total equity £'000
Balance at 1 January 2022	574	(34,228)	40,481	991	7,818
Changes in equity					
Total comprehensive income	-	703	-	(333)	370
Balance at 31 December 2022	<u>574</u>	<u>(33,525)</u>	<u>40,481</u>	<u>658</u>	<u>8,188</u>
Changes in equity					
Issue of share capital	305	-	11,309	-	11,614
Total comprehensive income	-	(4,764)	-	(78)	(4,842)
Balance at 31 March 2024	<u>879</u>	<u>(38,289)</u>	<u>51,790</u>	<u>580</u>	<u>14,960</u>

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1 JANUARY 2023 TO 31 MARCH 2024

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Total equity £'000
Balance at 1 January 2022	574	(39,233)	40,481	1,822
Changes in equity				
Total comprehensive income	-	(87)	-	(87)
Balance at 31 December 2022	<u>574</u>	<u>(39,320)</u>	<u>40,481</u>	<u>1,735</u>
Changes in equity				
Issue of share capital	305	-	11,309	11,614
Total comprehensive income	-	(37)	-	(37)
Balance at 31 March 2024	<u>879</u>	<u>(39,357)</u>	<u>51,790</u>	<u>13,312</u>

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD 1 JANUARY 2023 TO 31 MARCH 2024

		Period 1.1.23 to 31.3.24 £'000	Year Ended 31.12.22 £'000
Cash flows from operating activities	Notes		
Cash generated from operations	1	(1,112)	(3,779)
Interest paid		(443)	(150)
Tax paid		(44)	(31)
Net cash from operating activities		<u>(1,599)</u>	<u>(3,960)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(4)
Purchase of tangible fixed assets		(1,241)	(744)
Sale of tangible fixed assets		36	7
Net cash from investing activities		<u>(1,205)</u>	<u>(741)</u>
Cash flows from financing activities			
Loan repayments		(6,170)	-
Share issue		11,614	-
Interest deferrals		-	157
Net cash from financing activities		<u>5,444</u>	<u>157</u>
Increase/(decrease) in cash and cash equivalents		<u>2,640</u>	<u>(4,544)</u>
Cash and cash equivalents at beginning of period	2	3,388	8,236
Effect of foreign exchange rate changes		(59)	(304)
Cash and cash equivalents at end of period	2	<u>5,969</u>	<u>3,388</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD 1 JANUARY 2023 TO 31 MARCH 2024**

1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Period 1.1.23 to 31.3.24	Year Ended 31.12.22
	£'000	£'000
(Loss)/profit before taxation	(4,746)	741
Depreciation charges	724	301
(Profit)/loss on disposal of fixed assets	(9)	18
Increase/(decrease) in provisions	198	29
Increase/(decrease) in pens obligation	51	(22)
Finance costs	443	150
	(3,339)	1,217
Decrease/(increase) in inventories	2,027	(4,861)
Decrease/(increase) in trade and other debtors	730	(199)
(Decrease)/increase in trade and other creditors	(530)	64
Cash generated from operations	(1,112)	(3,779)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Period ended 31 March 2024

	31.3.24	1.1.23
	£'000	£'000
Cash and cash equivalents	5,969	3,388

Year ended 31 December 2022

	31.12.22	1.1.22
	£'000	£'000
Cash and cash equivalents	3,388	8,236

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.23 £'000	Cash flow £'000	At 31.3.24 £'000
Net cash			
Cash at bank	3,388	2,581	5,969
	3,388	2,581	5,969
Total	3,388	2,581	5,969

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2023 TO 31 MARCH 2024**

1. STATUTORY INFORMATION

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

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

These financial statements have been prepared for the 15 month period from 1 January 2023 to 31 March 2024. Because of this, the corresponding amounts shown for the 12 month period ended 31 December 2022 may not be entirely comparable.

Financial Reporting Standard 102 - reduced disclosure exemptions

Subsidiary companies have taken advantage of the following disclosure exemptions in preparing financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;

The disclosures above are incorporated within these consolidated financial statements.

Basis of consolidation

The consolidated financial statements incorporate the results of Le Chateau Holdings Ltd and its subsidiary undertakings as at the period end using the acquisition method of accounting. Subsidiaries are entities controlled by the group. The financial information of subsidiaries is included in the group's financial statements from the date that control commences until the date that control ceases.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2023 TO 31 MARCH 2024

2. ACCOUNTING POLICIES - continued

Significant judgements and estimates

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

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

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

i) Stock provisions

The group is subject to changing consumer demands and economic trends. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. Stocks are stated after provisions for impairment. When calculating the stock provision, management consider the nature and condition of the stock, as well as applying assumptions around anticipated saleability of finished goods.

ii) Bad debt provision

The group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the aging profile of receivables and historical experience. Any bad debt provisions are netted off against the overall trade debtor amount.

iii) Sales return provision

The sales return provision presented within other creditors is estimated on the basis of historical return and after date sales analysis. Sales have a 28-day free return period from the day of sale. The provision is recorded to allocate the returns to the same period in which the revenue is recorded.

Revenue

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

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing the excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired is capitalised as an intangible asset.

Goodwill is recognised at cost less any accumulated amortisation and any accumulated impairment losses. At the reporting date goodwill is fully written down.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Other intangibles are being amortised evenly over their useful lives of 20 years (brands) and 5 years (technology).

Property, plant and equipment

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- at varying rates between 3% and 10% on cost
Plant and machinery	- at varying rates between 10% and 33% on cost
Fixtures and fittings	- at varying rates between 10% and 50% on cost

Inventories

Inventories are valued at the lower of cost and estimated selling price less costs to complete and sell and after making due allowance for obsolete and slow moving items.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2023 TO 31 MARCH 2024

2. ACCOUNTING POLICIES - continued

Financial instruments

The group has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the income statement, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Basic financial liabilities, including trade and other creditors, bank loans, loans from related companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

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

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value through the Income Statement.

The group uses forward exchange contracts to mitigate its exposure to foreign exchange risks. The fair value is determined using valuation techniques that utilise observable inputs. The key assumptions used in valuing the derivatives are the forward exchange rates.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2023 TO 31 MARCH 2024

2. ACCOUNTING POLICIES - continued

Deferred tax

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

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

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

Foreign currencies

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

Pension costs and other post-retirement benefits

Subsidiaries within the group operate a defined contribution pension scheme for certain employees. The costs of the pension funding are charges to the consolidated income statement as an expense in the period to which they relate.

In France, employees receive a lump sum payment on retirement in accordance with contractual commitments. The full liability of such an obligation is calculated annually by a specialist local actuary incorporating assumptions including discount factor and future salary increases. All costs in relation to this benefit are included in the consolidated income statement as an employee benefit expense comprising of the current service cost and unwinding of the discount. This liability and cost covers the group's subsidiary, Le Chameau SAS.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged through the Income Statement on a straight line basis over the period of the lease.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are recognised at cost less impairment provisions in the parent company financial statements and are eliminated in the group financial statements.

3. REVENUE

The revenue and loss (2022 - profit) before taxation are attributable to the principal activities of the group.

An analysis of revenue by class of business is given below:

	Period 1.1.23 to 31.3.24 £'000	Year Ended 31.12.22 £'000
Product sales	23,503	17,790
Service contract income	240	-
	<u>23,743</u>	<u>17,790</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2023 TO 31 MARCH 2024

3. REVENUE - continued

An analysis of revenue by geographical market is given below:

	Period 1.1.23 to 31.3.24	Year Ended 31.12.22
	£'000	£'000
United Kingdom	13,313	9,956
Europe	8,810	6,781
Rest of World	<u>1,620</u>	<u>1,053</u>
	<u>23,743</u>	<u>17,790</u>

4. EMPLOYEES AND DIRECTORS

	Period 1.1.23 to 31.3.24	Year Ended 31.12.22
	£'000	£'000
Wages and salaries	5,156	3,321
Social security costs	798	580
Other pension costs	<u>245</u>	<u>152</u>
	<u>6,199</u>	<u>4,053</u>

The average number of employees during the period was as follows:

	Period 1.1.23 to 31.3.24	Year Ended 31.12.22
Management and administration	75	61
Direct and manufacturing	<u>142</u>	<u>140</u>
	<u>217</u>	<u>201</u>

Directors' fees of £38k (2022 - £28k) were charged for the period.

5. OPERATING (LOSS)/PROFIT

The operating loss (2022 - operating profit) is stated after charging/(crediting):

	Period 1.1.23 to 31.3.24	Year Ended 31.12.22
	£'000	£'000
Depreciation - owned assets	722	300
(Profit)/loss on disposal of fixed assets	(9)	18
Other intangibles amortisation	2	1
Auditors' remuneration	108	100
Foreign exchange differences	<u>(129)</u>	<u>(534)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2023 TO 31 MARCH 2024

5. OPERATING (LOSS)/PROFIT - continued

Auditors' remuneration was paid as follows:

		Period 1.1.23 to 31.3.24 £'000	Year Ended 31.12.22 £'000
Group company	Auditor		
Le Chateau Holdings Ltd	Duncan & Toplis Audit Ltd	16	15
Le Chateau UK Ltd	Duncan & Toplis Audit Ltd	28	27
Le Chateau Holdings SAS	PricewaterhouseCoopers France	41	35
Le Chateau SCZ Morocco SARL	Deloitte Touche Tohmatsu Ltd	23	23
		<u>108</u>	<u>100</u>

6. EXCEPTIONAL ITEMS

	Period 1.1.23 to 31.3.24 £'000	Year Ended 31.12.22 £'000
Exceptional stock provisions	1,569	-
Costs related to restructuring - employee related	191	47
Provisions for customs charges	-	64
Other exceptionals	-	66
	<u>1,760</u>	<u>177</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	Period 1.1.23 to 31.3.24 £'000	Year Ended 31.12.22 £'000
Loan interest	<u>443</u>	<u>150</u>

8. TAXATION

Analysis of the tax charge

The tax charge on the loss for the period was as follows:

	Period 1.1.23 to 31.3.24 £'000	Year Ended 31.12.22 £'000
Current tax:		
Tax on overseas operations	<u>18</u>	<u>38</u>
Tax on (loss)/profit	<u>18</u>	<u>38</u>

Tax effects relating to effects of other comprehensive income

	1.1.23 to 31.3.24 Gross £'000	Tax £'000	Net £'000
Foreign currency exchange difference	<u>(78)</u>	<u>-</u>	<u>(78)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2023 TO 31 MARCH 2024

8. TAXATION - continued

	Gross £'000	2022 Tax £'000	Net £'000
Foreign currency exchange difference	<u>(333)</u>	<u>-</u>	<u>(333)</u>

UK Corporation Tax

No liability to UK Corporation Tax arose for the period ended 31 March 2024 nor for the year ended 31 December 2022.

9. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

10. INTANGIBLE FIXED ASSETS

Group

	Goodwill £'000	Other intangibles £'000	Totals £'000
COST			
At 1 January 2023 and 31 March 2024	<u>517</u>	<u>1,753</u>	<u>2,270</u>
AMORTISATION			
At 1 January 2023	517	1,747	2,264
Amortisation for period	<u>-</u>	<u>2</u>	<u>2</u>
At 31 March 2024	<u>517</u>	<u>1,749</u>	<u>2,266</u>
NET BOOK VALUE			
At 31 March 2024	<u>-</u>	<u>4</u>	<u>4</u>
At 31 December 2022	<u>-</u>	<u>6</u>	<u>6</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2023 TO 31 MARCH 2024

11. PROPERTY, PLANT AND EQUIPMENT

Group

	Freehold property £'000	Plant and machinery £'000	Fixtures and fittings £'000	Totals £'000
COST				
At 1 January 2023	3,025	2,593	106	5,724
Additions	107	1,113	21	1,241
Disposals	(54)	(169)	(8)	(231)
Exchange differences	(68)	(28)	(2)	(98)
At 31 March 2024	<u>3,010</u>	<u>3,509</u>	<u>117</u>	<u>6,636</u>
DEPRECIATION				
At 1 January 2023	1,804	1,339	16	3,159
Charge for period	178	544	-	722
Eliminated on disposal	(39)	(163)	(2)	(204)
Exchange differences	(56)	(22)	(1)	(79)
At 31 March 2024	<u>1,887</u>	<u>1,698</u>	<u>13</u>	<u>3,598</u>
NET BOOK VALUE				
At 31 March 2024	<u>1,123</u>	<u>1,811</u>	<u>104</u>	<u>3,038</u>
At 31 December 2022	<u>1,221</u>	<u>1,254</u>	<u>90</u>	<u>2,565</u>

12. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £'000
COST	
At 1 January 2023 and 31 March 2024	<u>55,494</u>
PROVISIONS	
At 1 January 2023 and 31 March 2024	<u>55,494</u>
NET BOOK VALUE	
At 31 March 2024	<u>-</u>
At 31 December 2022	<u>-</u>

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

Le Chateau Holdings SAS

Registered office: 115 rue Cardinet 75017 Paris, France

Nature of business: Sale of premium goods

Class of shares:	%
Ordinary	holding 100.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2023 TO 31 MARCH 2024

12. FIXED ASSET INVESTMENTS - continued

Le Chateau BV

Registered office: Klavermaten 49, 7472DD Goor, The Netherlands

Nature of business: Sale of premium goods

Class of shares:	%
Ordinary	holding 100.00

Le Chateau UK Ltd

Registered office: 16 Mill Street, Oakham, Rutland, LE15 6EA, UK

Nature of business: Sale of premium goods

Class of shares:	%
Ordinary	holding 100.00

Le Chateau USA Inc.

Registered office: Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, USA

Nature of business: Sale of premium goods

Class of shares:	%
Ordinary	holding 100.00

Le Chateau SCZ Morocco SARL

Registered office: 86, Parc Industriel CFCIM- Bouskoura, Casablanca Marcoc, 27182, Morocco

Nature of business: Manufacture of premium goods

Class of shares:	%
Ordinary	holding 100.00

13. INVENTORIES

	Group	
	2024	2022
	£'000	£'000
Raw materials and work in progress	904	1,410
Finished goods	5,206	6,727
	<u>6,110</u>	<u>8,137</u>

Inventories are recognised after provisions for impairment of £2,062k (2022 - £558k).

14. DEBTORS

	Group		Company	
	2024	2022	2024	2022
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	1,497	2,213	-	-
Amounts owed by group undertakings	-	-	11,298	1,315
Other debtors	484	714	-	-
VAT recoverable	1,170	1,156	2	17
Corporation tax recoverable	23	-	-	-
Prepayments	570	316	-	-
	<u>3,744</u>	<u>4,399</u>	<u>11,300</u>	<u>1,332</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2023 TO 31 MARCH 2024

14. DEBTORS - continued

	Group		Company	
	2024	2022	2024	2022
	£'000	£'000	£'000	£'000
Amounts falling due after more than one year:				
Loans	<u>160</u>	<u>212</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>3,904</u>	<u>4,611</u>	<u>11,300</u>	<u>1,332</u>

Loans falling due after more than one year

Loans falling due after more than one year relate to the Action Logement Scheme in France, whereby a group company was required to make annual loans to the Government between 1996 and 2015 based on the number of employees. Each annual loan is repayable 20 years after being advanced. All loans are due to be repaid by 31 December 2035.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2024	2022	2024	2022
	£'000	£'000	£'000	£'000
Trade creditors	1,662	2,091	9	5
Corporation taxes	-	3	-	-
Other taxes and social security	368	399	-	-
VAT	262	551	-	-
Other creditors	181	314	-	-
Accruals and deferred income	<u>942</u>	<u>590</u>	<u>21</u>	<u>25</u>
	<u>3,415</u>	<u>3,948</u>	<u>30</u>	<u>30</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2024	2022
	£'000	£'000
Loans	-	6,170
Retirement benefit provision	<u>138</u>	<u>87</u>
	<u>138</u>	<u>6,257</u>

Loans

In November 2019 a company within the group entered into a £2M loan facility and further £5M stock loan facility with Silvercloud Holdings Limited, a related company.

The £2M facility accrued interest daily and the £5M facility accrued interest daily upon satisfaction of performance related conditions.

Interest rates on both facilities were payable as follows:

Inception to 31 December 2022 - 2.5%

1 January 2023 to 31 December 2024 - 7.5% above the Bank of England base rate

From 1 January 2025 - 10.0% above the Bank of England base rate

The facilities were repayable by 31 December 2026 but were capitalised into Preferred Ordinary shares of the group's parent (refer to note 20).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2023 TO 31 MARCH 2024

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued

Retirement benefit provision

In France, employees are entitled by law to receive at the time of retirement and end of service compensation based on the number of years spent in a company. The amount to be paid and accrued is based on a projection regarding the salary increase until retirement and discounted using a discount rate. This accrual is based on the assumption that employees will stay until retirement in the company.

Reconciliation of actuarial liability:

	2024	2022
	£'000	£'000
Opening liability	87	109
Cost of service	54	(26)
Effects of currency movements	(3)	4
Closing liability	<u>138</u>	<u>87</u>

The principal actuarial assumptions were as follows:

	2024	2022
Discount rate	3.40%	3.75%
Salary increase - executives	3.00%	2.00%
Salary increase - technical and factory staff	3.00%	2.00%

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	2024	2022
	£'000	£'000
Within one year	138	172
Between one and five years	84	204
	<u>222</u>	<u>376</u>

18. FINANCIAL INSTRUMENTS

The group has the following financial instruments:

	2024	2022
	£'000	£'000
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	1,497	2,213
Other debtors	484	714
Loans	160	212
Financial liabilities measured at amortised cost		
Trade creditors	1,662	2,091
Other creditors	181	314
Loans	-	6,170

The total interest income and interest expense for financial assets and financial liabilities that are not measured at fair value through profit or loss was £nil (2022 - £nil) and £443k (2022 - £150k) respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2023 TO 31 MARCH 2024

19. PROVISIONS FOR LIABILITIES

	Group	
	2024 £'000	2022 £'000
Other provisions		
Provision for fundamental reorganisation	<u>512</u>	<u>314</u>
Aggregate amounts	<u>512</u>	<u>314</u>
Group		
		Fundamental reorg £'000
Balance at 1 January 2023		314
Charge to Income Statement during period		212
Exchange differences		(14)
Balance at 31 March 2024		<u>512</u>

The provision for fundamental reorganisation relates to litigation provisions, factory restructuring, redundancies and professional fees. The remaining provision is expected to be utilised by 2025.

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2024	2022
Number:	Class:	Nominal value:	£'000	£'000
28,735,346	Ordinary A	£0.01	287	287
28,735,346	Ordinary B	£0.01	287	287
30,478,722	Preferred Ordinary	£0.01	305	-
			<u>879</u>	<u>574</u>

30,478,722 Preferred Ordinary shares of £0.01 each were allotted as fully paid at a premium of £0.371 per share during the period.

Each A Ordinary shareholder is entitled to appoint one director who is entitled to two votes and each B Ordinary shareholder is entitled to appoint two directors who are each entitled to one vote. Each Preferred Ordinary shareholder is entitled to one vote at any general meeting of the company.

Dividends are distributed to the holders of all share classes pari passu and pro rata to the number of shares held by each of them.

On a distribution of assets on a winding up of the company, any liquidation surplus is distributed to the holders of Preferred Ordinary shares in priority to A Ordinary and B Ordinary shareholders.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2023 TO 31 MARCH 2024

21. RESERVES

Group

	Retained earnings £'000	Share premium £'000	Foreign currency reserve £'000	Totals £'000
At 1 January 2023	(33,525)	40,481	658	7,614
Deficit for the period	(4,764)			(4,764)
Share issue	-	11,309	-	11,309
Foreign currency movement	-	-	(78)	(78)
At 31 March 2024	<u>(38,289)</u>	<u>51,790</u>	<u>580</u>	<u>14,081</u>

Company

	Retained earnings £'000	Share premium £'000	Totals £'000
At 1 January 2023	(39,320)	40,481	1,161
Deficit for the period	(37)		(37)
Share issue	-	11,309	11,309
At 31 March 2024	<u>(39,357)</u>	<u>51,790</u>	<u>12,433</u>

Retained earnings

Retained earnings represents cumulative profits and losses net of dividends and other adjustments.

Share premium account

The share premium account represents the premium arising on the issue of shares net of issue cost.

Foreign currency reserve

The foreign currency reserve represents the unrealised foreign exchange gains and losses incurred in the translation of overseas subsidiaries into the functional currency.

22. RELATED PARTY DISCLOSURES

Entities with control, joint control or significant influence over the entity

	2024 £'000	2022 £'000
Purchases & recharges incurred from related parties	268	74
Amounts due to related parties at year end	50	6,180
Interest charged on loans	<u>443</u>	<u>150</u>

Details of loans contained within amounts due to related parties are provided in Note 16.

Key management personnel

Directors' fees of £38k (2022 - £28k) were charged for the period.

Key management personnel compensation paid by the group totalled £805k (2022 - £242k) in the period.

Related entities in which one or more director(s) has a significant participating interest

	2024 £'000	2022 £'000
Sales & recharges invoiced to related parties	436	60
Purchases & recharges incurred from related parties	3,533	2,360
Amounts due from related parties at year end	264	185
Amounts due to related parties at year end	<u>162</u>	<u>150</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2023 TO 31 MARCH 2024

22. RELATED PARTY DISCLOSURES - continued

Included within the above purchases are service fees of £2,445k (2022 - £2,282k) charged by subsidiaries within the Bradshaw Taylor Holdings Ltd group as part of a strategic partnership to centralise administrative functions.

All amounts outstanding are unsecured and repayable on demand.

23. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Marwyn Value Investors Limited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.