Radley + Co. Limited

Directors' report and financial statements for the year ended 30 April 2017

Registered No: 2573819

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COMPANY INFORMATION

DIRECTORS	J Stead J Worden R Best (resigned 3 June 2016) O Bower (resigned 3 June 2016) R Tudor (resigned 3 June 2016) P Lenon (resigned 3 June 2016) N Vance (resigned 3 June 2016, appointed 6 July 2017) L Harder (resigned 3 June 2016) N Halliday (resigned 3 June 2016)
SECRETARY	G Pratt (resigned 3 June 2016)
REGISTERED OFFICE	McBeath House, 310 Goswell Road, London, EC1V 7LW
REGISTERED NUMBER	2573819
BANKERS	Barclays Bank plc 1 Churchill Place, London, E14 5HP Lloyds Bank plc 25 Gresham Street, London EC2V 7HN
SOLICITORS	Willkie Farr & Gallagher (UK) LLP CityPoint, 1 Ropemaker Street, London EC2Y 9AW
AUDITORS	Ernst & Young LLP, Bedford House, 16 Bedford Street, Belfast, BT2 7D

STRATEGIC REPORT
for the year ended 30 April 2017

The directors present their strategic report and the financial statements for the year ended 30 April 2017.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activities of the company during the year were the design and sale of own branded leather and non-leather goods and accessories worldwide. The business is conducted through wholesale distribution partners throughout the UK and internationally in twenty-two countries. Additionally, a global eCommerce platform fulfils customer purchases in 44 countries around the world.

The Radley Group offers the leading premium British handbag and accessory brand in the UK, always seeking to provide affordable luxury, through its key asset, Radley London.

The company holds 100% ownership of its subsidiary, Radley Retail Ltd, which retails the same product offering through its own combination of 30 standalone retail stores and 42 concessions. The turnover in both companies (plus the new Japanese subsidiary) comprises the total external sales of the business and should always be considered in unison. Please note that Radley Retail Ltd accounted for 56% of all external Radley sales.

During the year the Company also acquired the assets of the Japanese wholesale, eCommerce and concession business from its long standing regional distribution partner through a newly established subsidiary, Radley Japan KK. The subsidiary commenced trading on the 6 June 2016 and is 90% owned by Radley + Co Ltd, the balance being retained by the previous partner. This new subsidiary contributed 5% of all external group sales. In its first year of ownership Radley Japan has undergone significant restructuring and the introduction of a new MD.

A second international subsidiary, Radley Hong Kong, was also incorporated during the year but did not generate external income in this period.

The EBITDA (before FRS102 mark-to-market adjustment for forward exchange contracts held at year end) of the company and its subsidiaries Radley Retail Limited, Radley Hong Kong and Radley Japan KK are shown below:

	2017	*2016*
	£	£
Radley Retail Limited	2,403	3,109
Radley + Co Limited	1,670	2,444
Radley Japan KK	(711)	-
Radley Hong Kong	(3)	-
	3,359	5,553

STRATEGIC REPORT
for the year ended 30 April 2017 (Continued)

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS (Continued)

FY17 Turnover in this company rose from £41.8m to £47.1m year on year, with growth coming particularly from a new partnership with Debenhams in the U.K., and from continued global Ecommerce success (+13%). International sales rose by 14%, due to growth in Thailand, Australia and global travel retail partners.

This increase in turnover was offset by the impact of the devaluation of the GBP currency against the USD and Indian Rupee, the two principle sourcing currencies used by the Group. The business has also absorbed a number of one off costs during the year that have impacted reported profitability:

- Restructured its internal teams and processes to better support its future growth strategies. This included the relocation of several support teams from the London Head Office to the Milton Keynes office during the year.
- Incurred various legal and advisory costs as a result of the change of ownership in June 2016.
- Undertook a significant corporate restructuring of the group to close several dormant entities, some of which are subsidiaries of the Company.
- Rebuilt the Radley Japan team and incurred the cost of clearing acquired old and fragmented stock.
- Invested in the set-up of a new North American branch and secured key wholesale partnerships for launch in the next financial year.
- Further invested in its global eCommerce platforms and supporting infrastructure to offer multi-currency and language options.

This resulted in a FY17 operating profit of £1.2m (FY16: profit of £1.8m). Additionally, the company remained in a strong financial position with shareholder funds of £26.4m.
The company's key financial and other performance indicators are as follows:

	2017	*2016 restated*
	£000	*£000*
Turnover	47,064	41,763
Operating Profit	1,203	1,831
Profit after tax	5,668	1,369
Shareholders' funds	26,456	20,789

Please note that Profit after tax for 2017 includes a credit of £4.9m of exceptional items relating to dividends received from subsidiaries due to be placed into liquidation.

PRINCIPAL RISKS AND UNCERTAINTIES

Financial risk management
The company's operations expose it to a variety of financial risks that include the effects of changes in exchange rates, credit risk and liquidity risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of currency exposure and the related finance costs.

Exchange rate risk
The company has a strategy of using a variety of exchange rate option instruments to protect against future adverse movements in exchange rates.

Credit risk
The company has implemented policies that require appropriate credit checks on potential customers before sales are made.

On behalf of the Board

J M Worden

Director

Date: 31.1.18

DIRECTORS' REPORT
for the year ended 30 April 2017

The directors present their report and financial statements for the year ended 30 April 2017.

RESULTS AND DIVIDENDS
The profit for the year after taxation amounted to £5,667,713 (2016 restated: profit of £1,369,185). The directors do not recommend a final dividend (2016: £nil).

FUTURE DEVELOPMENTS
The Group has continued to grow both its UK and International business with successful launches in the UK with Debenhams, now operating in 80 doors and on their eCommerce site, and in North America with two new key wholesale partners. The first seasons of all these new strategic partnerships have exceeded expectations.

There has also been substantial investment in International web platform developments with Asian, US, Euro and Chinese sites launched, in addition to a new partnership with TMall to serve the domestic Chinese market. In order to support the growing customer demand, the supply chain of the Group has been expanded and improved alongside new third party managed warehousing established closer to the key markets of China and the US.

Product development has sharpened the focus on more contemporary design, fashion and event specific assortments. Marketing has improved dramatically to be more contemporary in tone with the product as the central focus. Both these commercial progressions are also being highlighted in the new retail shop fit which will be rolled out to existing stores over the next two years to ensure a world class retail estate by 2020, complementing the significant investments in our global ecommerce strategy.

The focus given to Brand and Product development during the year has been supported by the appointment of new Marketing and PR agencies that are very well placed to promote the affordable luxury of the Radley London offer in all International markets across both digital and more traditional means of communication.

DIRECTORS
The directors who served the company during the year were as follows:

J Stead
J Worden
R Best (resigned 3 June 2016)
O Bower (resigned 3 June 2016)
R Tudor (resigned 3 June 2016)
P Lenon (resigned 3 June 2016)
N Vance (resigned 3 June 2016, appointed 6 July 2017)
L Harder (resigned 3 June 2016)
N Halliday (resigned 3 June 2016)

DISABLED EMPLOYEES
It is the company's policy to give full consideration to suitable applications for employment by disabled persons.

Disabled employees are eligible to participate in all career development opportunities available to staff. Opportunities also exist for employees of the company who become disabled to continue in their employment or to be trained for other positions.

DIRECTORS' REPORT
for the year ended 30 April 2017 (Continued)

EMPLOYEE INVOLVEMENT
The company is committed to involve all employees in the performance and development of the company. Employees are encouraged to discuss with management matters of interest to the employee and subjects affecting day to day operations of the company.

DISCLOSURE OF INFORMATION TO THE AUDITORS
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

EVENTS SINCE THE BALANCE SHEET DATE
In July 2017, the company entered into a credit facility as Borrower and Guarantor with Wells Fargo Capital Finance (UK) Limited. A further parent undertaking in the group, Laddie Bidco Limited, also acted as a guarantor. The facility has a term of four years, and includes an asset-based revolving credit facility secured on the stock and trade debtors of the company, and a term loan. The total facility has a maximum sum of £23.0m. The revolving credit facility which this effectively replaces was previously held in a parent company undertaking, Laddie Bidco Limited.

As part of the corporate restructuring programme several group companies have been put into voluntary liquidation, three of these were 100% subsidiaries of this Company, the other eight were various parent undertakings and dormant finance holding entities within the Group.

GOING CONCERN
The group's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its financial instruments and derivative activities, and its exposures to price, credit, liquidity and cash flow risk are described in the Strategic Report on pages 3 to 5.The group has adequate bank facilities as well as its cash balances which are available to fund its operations together with long-term and long-running contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook. After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

STRATEGIC REPORT
The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by Schedule 7 of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008.

DIRECTORS' REPORT
for the year ended 30 April 2017 (Continued)

PRIOR YEAR ADJUSTMENT

In April 2016's accounts, following the adoption of FRS102, the fair value of forward exchange contracts for the whole group was adjusted in Truly SPV1 Limited, a parent undertaking. These foreign currency contracts are entered into in relation of purchases of inventory in the trading entities and therefore the adjustment should have been made in Radley + Co Limited, and Radley Retail Limited, another group undertaking. The impact of this restatement is to increase prior year profit after tax, and opening reserves for this company for 2017 by £91k.

AUDITORS

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board

J M Worden
Director

Date: 31.1.18

DIRECTORS' RESPONSIBILITIES STATEMENT
for the year ended 30 April 2017

The directors are responsible for preparing the Strategic report, Director's 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ('FRS 102'). 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- 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.

On behalf of the Board

J M Worden
Director

Date: 31.1.18

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RADLEY & CO. LIMITED

We have audited the financial statements of Radley & Co. Limited for the year ended 30 April 2017 which comprise the Profit and Loss Account, the Statement of Changes in Equity, the Statement of Financial Position and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 9, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the Directors' 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RADLEY & CO. LIMITED (CONTINUED)

Opinion on other matter 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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

Ernst & Young LLP

Ruth Logan (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

Date:
31.1.18

PROFIT AND LOSS ACCOUNT
for the year ended 30 April 2017

	Note	*2017* £	*2016 restated* £
Turnover	3	47,064,037	41,762,921
Cost of sales		(31,150,158)	(27,443,355)
Gross profit		15,913,879	14,319,566
Distribution costs		(1,260,668)	(835,950)
Administrative expenses		(13,441,560)	(11,652,982)
Impairment of investments		(7,973)	-
Operating profit	4	1,203,678	1,830,634
Interest payable and similar charges	8	(66,214)	(27,426)
Interest receivable	9	211,680	-
Other income (dividends)	7	4,884,553	-
Net loss on financial assets at fair value through profit and loss		(362,367)	(8,350)
Profit on ordinary activities before taxation		5,871,330	1,794,858
Tax on profit on ordinary activities	10	(203,617)	(425,673)
Profit for the financial year		5,667,713	1,369,185
Other comprehensive income		-	-
Total Comprehensive Income		5,667,713	1,369,185

All amounts relate to continuing operations.

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 April 2017

	Called up share capital (note 21)	Share Premium (note 21)	Capital redemption reserve (note 21)	Profit and loss account	Total Equity
	£	£	£	£	£
At 1 May 2015	67,550	157,500	36,950	19,060,248	19,322,248
Profit for the financial year	-	-	-	1,375,865	1,375,865
Prior year adjustment	-	-	-	97,318	97,318
Total comprehensive income for the year	-	-	-	1,473,183	1,473,183
At 30 April 2016	67,550	157,500	36,950	20,533,431	20,795,431
Prior year adjustment	-	-	-	(6,680)	(6,680)
At 30 April 2016	67,550	157,500	36,950	20,526,751	20,788,751
Profit for the financial year	-	-	-	5,667,713	5,667,713
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	5,667,713	5,667,713
At 30 April 2017	67,550	157,500	36,950	26,194,464	26,456,464

STATEMENT OF FINANCIAL POSITION
at 30 April 2017

	Note	2017 £	2016 restated £
Fixed assets			
Intangible assets	11	508,994	168,007
Tangible assets	12	1,316,512	742,787
Investments	13	853,814	297,003
		2,679,320	1,207,797
Current assets			
Stocks	14	9,905,723	8,558,385
Debtors	15	87,100,734	82,614,797
Cash at bank and in hand		4,094,251	1,504,273
		101,100,708	92,677,455
Creditors: amounts falling due within one year	16	(77,024,112)	(71,809,281)
Net current assets		24,076,596	20,868,174
Total assets less current liabilities		26,755,916	22,075,971
Creditors: amounts falling due after more than one year	17	(254,452)	(1,045,218)
Provision for liabilities	18	(45,000)	(242,000)
Net assets		26,456,464	20,788,753
Capital and reserves			
Called up share capital	21	67,550	67,550
Share premium account	21	157,500	157,500
Capital redemption reserve	21	36,950	36,950
Profit and loss account		26,194,464	20,526,753
Shareholders' funds		26,456,464	20,788,753

The notes on pages 15 to 32 form part of these financial statements

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

J M Worden
Director

Date: 31.1.18

Registered No: 2573819

NOTES TO THE FINANCIAL STATEMENTS
30 April 2017

1. STATEMENT OF COMPLIANCE

Radley + Co. Limited is a private company limited by shares, domiciled and incorporated in United Kingdom. The Registered Office is McBeath House, 310 Goswell Road, London, EC1V 7LW.

The financial statements of Radley + Co. Limited were authorised for issue by the Board of Directors on 25 January 2018. The financial statements have been prepared in accordance with FRS 102.

2. ACCOUNTING POLICIES

2.1 Basis of preparation and accounting convention

These financial statements are prepared under the historical cost convention and in accordance with FRS 102. The company's financial statements are presented in Pounds Sterling (£) and all values are rounded to the nearest Pound, except where otherwise indicated. The principal accounting policies adopted by the company are set out in note 2.5. The financial statements are prepared on a going concern basis.

The company has taken advantage of the following disclosure exemptions under FRS 102:

i) a reconciliation of the number of shares outstanding at the beginning and end of the year;
ii) preparation of a statement of cash flows;
iii) disclosure of key management personnel compensation in total; and
iv) certain disclosures in relation to basic financial instruments.

2.2 Going Concern

The group's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its financial instruments and derivative activities, and its exposures to price, credit, liquidity and cash flow risk are described in the Strategic Report on pages 3 to 5.The group has adequate bank facilities as well as its cash balances which are available to fund its operations together with long-term and long-running contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook. After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

2.3 Group financial statements

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare group financial statements, on the grounds that the company itself a subsidiary undertaking and the results are included in the group financial statements of the ultimate parent undertaking, Laddie Topco Limited, a company incorporated in the United Kingdom. These financial statements therefore present information about the company as an individual undertaking and not about its group.

NOTES TO THE FINANCIAL STATEMENTS
30 April 2017 (Continued)

2. ACCOUNTING POLICIES (Continued)

2.4 *Judgements and key sources of estimation uncertainty*

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for turnovers and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Judgements and key sources of estimation uncertainty (continued)

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Development expenditure

Development expenditure is capitalised in accordance with the accounting policy given below. Initial capitalisation of costs is based on management's judgement that technical and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

Operating lease commitments

The company has entered into leases for the use of property. The classification of such leases as operating or finance lease requires the company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly how the lease shall be accounted for in the financial statements.

The following are the company's key sources of estimation uncertainty:

Taxation

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 8.

NOTES TO THE FINANCIAL STATEMENTS
30 April 2017 (Continued)

2. ACCOUNTING POLICIES (Continued)

2.5 Significant accounting policies

i) *Intangible assets*

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight line basis over their estimated useful lives. The useful economic life of trademarks and other intellectual property is determined on a case by case basis, in accordance with the terms of the underlying agreement. The useful economic lives of intangible assets are as follows:

Trademarks: 10 years
Software: 3 years

The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

ii) *Impairment of non-financial assets*

The company assesses at each reporting date whether an asset may be impaired. If any such indication exists the company estimates recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the company estimates, the recoverable amount of the cash- generating unit to which the asset belongs. The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through impairment in profit and loss. An impairment loss recognised for all assets, excluding goodwill, is reversed in a subsequent period if and only if the reasons for the impairment loss have ceased to apply.

iii) *Tangible assets*

Tangible assets are stated at cost less depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	–	over the period of the lease
Plant and machinery	–	20% - 33% straight-line
Motor vehicles	–	25% straight-line
Fixtures and fittings	–	15% straight-line

NOTES TO THE FINANCIAL STATEMENTS
30 April 2017 (Continued)

2. ACCOUNTING POLICIES (Continued)

The carrying values of tangible assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively. Impairment losses are recognised in the income statement as incurred.

An item of tangible fixed assets is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset is included in the income statement in the period of derecognition.

iv) *Turnover*

Turnover comprises turnover recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on despatch, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income

Income is recognised as interest accrues using the effective interest method.

v) *Stocks*

Stocks are valued at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

vi) *Financial Instruments*

Short term debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Amounts owed to group undertakings which are classified as basic financial instruments are initially recorded at the present value of future payments discounted at a market rate of interest for a similar loan. Subsequently, they are measured at amortised cost using the effective interest method. Shareholder loans and amounts owed to group undertakings that are payable within one year are not discounted.

NOTES TO THE FINANCIAL STATEMENTS
30 April 2017 (Continued)

2. ACCOUNTING POLICIES (Continued)

2.4 Significant accounting policies (continued)

vii) *Financial Instruments (continued)*

Offsetting
Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

viii) *Investments*
Investment in subsidiary is shown at cost less provision for impairment.

ix) *Research and development expenditure*
Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is capitalised as an intangible asset when the company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development

x) *Income taxes*
Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

NOTES TO THE FINANCIAL STATEMENTS
30 April 2017 (Continued)

2. ACCOUNTING POLICIES (Continued)

2.4 Significant accounting policies (continued)

x) *Income taxes (continued)*

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

xi) *Foreign currencies*

The company's functional and presentation currency is the sterling (£). Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. All differences are taken to the income statement.

xii) *Leasing and hire purchase*

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company and hire purchase contracts are capitalised in the statement of financial position and are depreciated over the shorter of the lease term and the asset's useful life. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the statement of financial position. Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability.

Operating leases

Rentals payable under operating leases are charged in the income statement on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

Operating lease incentives

Lease incentives, including rent free periods and fit-out contributions, are credited to the income statement on a straight line basis over the remaining lease period.

xiii) *Prior Year Adjustments*

In line with FRS102, the company corrects a material prior period error retrospectively in the first financial statements authorised for issue after its discovery.

NOTES TO THE FINANCIAL STATEMENTS
30 April 2017 (Continued)

3. TURNOVER

The turnover and operating profit for the year was derived from the company's principal continuing activity.

A geographical analysis of turnover by destination is as follows:

	2017 £	2016 £
United Kingdom	40,360,626	35,926,912
Ireland	306,513	529,349
Rest of world	6,396,898	5,306,660
	47,064,037	41,762,921

4. OPERATING PROFIT

This is stated after charging/ (crediting):

	2017 £	*2016* £
Amortisation of intangible assets	92,651	170,875
Depreciation of tangible assets owned by the company	366,080	442,571
Operating lease rentals		
– plant and machinery	96,376	116,398
– other operating leases	476,925	431,106
Foreign exchange differences	351,571	(199,687)
Research and development expenditure written off	86,128	241,532
Auditors' remuneration (see note 5)	160,485	103,801

5. AUDITORS' REMUNERATION

The remuneration of the auditors is further analysed as follows:

	2017 £	*2016* £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	74,458	77,607
Fees payable to the company's auditor and its associates in respect of taxation compliance services	26,700	26,194
Fees payable to the company's auditor and its associates in respect of other advisory services	59,327	-
	160,485	103,801

NOTES TO THE FINANCIAL STATEMENTS
30 April 2017 (Continued)

6. STAFF COSTS

6.1 *Staff costs*

	2017 £	*2016* £
Wages and salaries	5,622,941	6,292,075
Social security costs	790,792	722,572
Other pension costs	165,710	164,999
	6,579,443	7,179,646

The average monthly number of employees, including the directors, during the year was as follows:

	No.	*No.*
Administrative	74	73
Selling and distribution	142	141
	216	214

6.2 *Directors' remuneration*

	2017 £	*2016* £
Aggregate remuneration in respect of qualifying services	1,044,445	N/A
Aggregate pension contributions in respect of directors' qualifying services.	16,409	N/A

The directors of the company, who are also directors of other subsidiary undertakings of Laddie Topco Limited, received total remuneration including pension contributions of £1,044k in respect of qualifying services for Radley + Co Limited. In addition, one director of the company was paid £154k in respect of qualifying services for this and other group companies but it is impractical to do an allocation to Radley+Co limited. The remuneration paid in respect of the highest paid director amounted to £393k.

For 2016 the total remuneration including pension contributions for directors of Radley + Co Limited and other group undertakings for whom qualifying services included those for Radley + Co Limited was £959,854, but it was impractical to do an allocation to individual companies within the group.

7. OTHER INCOME (DIVIDENDS)

Includes the following items charged/(credited) in preparation for the voluntary liquidation of three dormant 100% owned subsidiaries.

	2017 £	2016 £
Dividend received on liquidation of Tula Bags Limited	(1,570,658)	-
Dividend received on liquidation of Hidesign Accessories Limited	(3,363,395)	-
Write off intercompany balance with Lockey Brothers Limited	49,500	-
	4,884,553	-

8. INTEREST PAYABLE AND SIMILAR CHARGES

Where a loan agreement exists, interest is accrued on inter group balances at 5% per annum. Trading balances with other group entities do not attract interest.

	2017 £	2016 £
On bank loans and overdrafts	-	27,426
Interest payable on loans with other group undertakings	66,214	-
	66,214	27,426

9. INTEREST RECEIVABLE

Where a loan agreement exists, interest is accrued on inter group balances at 5% per annum. Trading balances with other group entities do not attract interest.

	2017 £	2016 £
Interest receivable on loans with other group undertakings	211,680	-

NOTES TO THE FINANCIAL STATEMENTS
30 April 2017 (Continued)

10. TAX

(a) *Tax on profit on ordinary activities*

The tax charge is made up as follows:

	2017	2016 restated
	£	£
Current tax:		
UK Corporation tax at 19.92% (2016: 20%)	94,467	158,849
Adjustments in respect of prior years	31,059	(1,452)
Total current tax	125,526	157,397
Group relief:		
Group relief payable	-	261,739
Total current tax	125,526	419,136
Deferred tax:		
Increase in deferred tax provision	127,880	(24,958)
Effect of rate change	19,150	35,713
Adjustments in respect of prior years	(68,939)	(4,218)
Total deferred tax	78,091	6,537
Tax on profit on ordinary activities	203,617	425,673

The tax impact of prior year adjustment was £20,807.

(b) *Factors affecting total tax charge/(credit) for the year*

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19.92% (2016: 20%). The differences are explained below:

	2017	2016 restated
	£	£
Profit on ordinary activities before tax	5,871,330	1,794,858
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.92 % (2016: 20%)	1,169,569	358,971
Effects of:		
Disallowed expenses and non-taxable income	115,851	34,072
Effect of rate change	19,150	
Non taxable dividends	(982,863)	-
Deferred tax at lower rate	(21,965)	38,300
Group Relief received for no payment	(58,245)	
Adjustments to tax charge in respect of prior years	(37,880)	(5,670)
Total tax charge for the year *(note 8(a))*	203,617	425,673

NOTES TO THE FINANCIAL STATEMENTS
30 April 2017 (Continued)

10. TAX (Continued)

(c) *Factors that may affect future tax charges*
Deferred tax has been calculated at 17% as at 30 April 2017 reflecting the rate which was substantively enacted at the balance sheet date. It is expected that the main rate of corporation tax will reduce to 17% from 1 April 2020.

(d) *Deferred tax*

	£
At 1 May 2016	325,807
Movement in the year	(78,091)
At 30 April 2017	247,716

The deferred tax asset is made up as follows:

	2017 £	*2016* £
Decelerated capital allowances	163,893	233,738
Short term timing differences	83,823	92,069
	247,716	325,807

The company expects deferred tax assets to reverse in 2019.

NOTES TO THE FINANCIAL STATEMENTS
30 April 2017 (Continued)

11. INTANGIBLE ASSETS

	Trademarks	*Software*	*Total*
	£	£	£
Cost:			
At 1 May 2016	274,099	631,703	905,802
Additions	119,533	314,104	433,637
At 30 April 2017	393,632	945,807	1,339,439
Amortisation:			
At 1 May 2016	192,630	545,164	737,794
Provided during the year	47,435	45,216	92,651
At 30 April 2017	240,065	590,380	830,445
Carrying amount at 30 April 2017	153,567	355,427	508,994
Carrying amount at 1 May 2016	81,469	86,538	168,007

Trademarks are amortised evenly over their useful lives of 10 years. Amortisation is included in administration expenses in the income statement.

Software is amortised evenly over their useful lives of 3 years. Amortisation is included in administration expenses in the income statement.

NOTES TO THE FINANCIAL STATEMENTS
30 April 2017 (Continued)

12. TANGIBLE ASSETS

	Long term leasehold property	*Plant and machinery*	*Motor vehicles*	*Fixtures and fittings*	*Total*
	£	£	£	£	£
Cost:					
At 1 May 2016	807,889	8,165	22,780	1,423,050	2,261,884
Additions	50,692	-	9,302	879,812	939,806
At 30 April 2017	858,581	8,165	32,082	2,302,862	3,201,690
Depreciation					
At 1 May 2016	427,370	6,197	4,271	1,081,260	1,519,098
Charge for the year	99,263	1,901	5,889	259,027	366,080
At 30 April 2017	526,633	8,098	10,160	1,340,287	1,885,178
Carrying amount					
At 30 April 2017	331,948	67	21,922	962,575	1,316,512
At 1 May 2016	380,519	1,969	18,509	341,790	742,787

NOTES TO THE FINANCIAL STATEMENTS
30 April 2017 (Continued)

13. INVESTMENTS

	Investments in subsidiary companies
	£
Cost	
At 1 May 2016	297,003
Additions	564,784
Impairment	
At 30 April 2017	(7,973)
Carrying amount at 30 April 2017	853,814

The addition of £564,784 reflects a £564,783 investment in the newly formed subsidiary Radley Japan K.K. on 6th June 2016, and a £1 investment in Radley Hong Kong Limited on 16th August 2016.

Subsidiary undertakings
Details of the investments in which the company (unless indicated) hold 20% or more of the nominal value of any class of share capital are as follows:

Name of company	*Holding*	*Proportion of voting rights and shares held*	*Nature of Business*
Tula Bags Limited	Ordinary	100%	Dormant
Radley Retail Limited	Ordinary	100%	Trading
Hidesign Accessories Limited	Ordinary	100%	Dormant
Lockey Bros Limited	Ordinary	100%	Dormant
Radley Japan K.K*	Ordinary	90%	Retail of bags and accessories
Radley Hong Kong Limited*	Ordinary	100%	Retail of bags and accessories

All of the subsidiary undertakings are included in the group financial statements. The three dormant companies listed above have taken exemption by virtue of section 479A of the Companies Act 2006 not to prepare audited accounts.

* Shares held by a subsidiary undertaking.

The registered address of all subsidiaries except Radley Japan K.K and Radley Hong Limited is:
McBeath House
310 Goswell Road
London
EC1V 7LW

NOTES TO THE FINANCIAL STATEMENTS
30 April 2017 (Continued)

Radley Japan K. K
Atomu-Aoyama Tower
Floor 4, 7-1-15 Akasaka
Minato-Ku
Tokyo 107-0052
Japan

Radley Hong Kong Limited
Unit 2212, 22/F Hong Kong
Plaza 188 Connaught Road West
Sai Wan
Hong Kong

14. STOCKS

	2017	*2016*
	£	£
Finished goods and goods for resale	9,905,723	8,558,385

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stocks recognised as an expense in the period were £31,150,158 (2016 - £27,443,355) for the company.

15. DEBTORS

	2017	*2016 restated*
	£	£
Trade debtors	4,798,447	1,571,172
Amounts owed by group undertakings	81,110,084	79,271,505
F/x contracts mark-to-market FV adjustments	-	109,777
Other debtors	39,402	54,098
Prepayments and accrued income	575,980	1,039,648
Corporation tax receivable	329,105	242,790
Deferred tax asset *(note 10(d))*	247,716	325,807
	87,100,734	82,614,797

NOTES TO THE FINANCIAL STATEMENTS
30 April 2017 (Continued)

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	*2016 restated*
	£	£
Trade creditors	5,336,503	2,110,658
Group relief payable	4,872,364	4,872,364
Amounts owed to group undertakings	62,868,746	62,146,684
Other taxation and social security costs	118,014	319,436
Other creditors	29,812	89,186
F/x contracts mark-to-market FV adjustments	451,995	-
Accruals	3,346,678	2,270,953
	77,024,112	71,809,281

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

	2017	*2016*
	£	£
Shareholders loan	-	375,000
Amounts owed to group undertakings	-	375,000
Other creditors	254,452	295,218
	254,452	1,045,218

18. PROVISIONS FOR LIABILITIES

	Other
	£000
At 1 May 2016	242,000
Profit and loss account movement	(197,000)
At 30 April 2017	45,000

Provisions relate to dilapidations on operating leases.

NOTES TO THE FINANCIAL STATEMENTS
30 April 2017 (Continued)

19. OBLIGATIONS UNDER LEASES AND HIRE PURCHASE CONTRACTS

Future minimum rentals payable under non-cancellable operating leases are as follows:

	2017		*2016*	
	Land and buildings	*Other*	*Land and buildings*	*Other*
	£	*£*	*£*	*£*
Not later than one year	515,192	17,267	463,767	53,999
Later than one year and not later than five years	1,559,197	2,220	1,554,482	19,489
Later than five years	542,947	-	848,508	-
	2,617,336	19,487	2,866,757	73,488

20. CONTINGENT LIABILITIES

In the normal course of the business the company is involved in various legal cases and claims. The Directors take independent legal advice on these matters. Where the company anticipate making financial settlement appropriate provision is made in the financial statements. However a contingent liability exists where financial settlement in legal cases and claims is considered to be greater than remote but less than probable.

21. ISSUED SHARE CAPITAL AND RESERVES

	2017		*2016*	
Allotted, called up and fully paid	*No.*	*£*	*No.*	*£*
Ordinary shares of £1 each	67,550	67,550	67,550	67,550

Nature and purpose of reserves

Share capital
Share capital represents the nominal value of the allotted, called up and fully paid shares.

Share premium account
This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Capital redemption reserve
This reserve records the nominal value of shares repurchased by the company.

Profit and loss account
Profit and loss account represents the distributable reserves of the company

NOTES TO THE FINANCIAL STATEMENTS
30 April 2017 (Continued)

22. EVENTS AFTER REPORTING PERIOD

In July 2017, the company entered into a credit facility as Borrower and Guarantor with Wells Fargo Capital Finance (UK) Limited, with its immediate parent Laddie Bidco

Limited, which also acted as a guarantor. The facility has a term of four years, and includes an asset-based revolving credit facility secured on the stock and debtors of the company, and a term loan. The total facility has a maximum sum of £23.0m. The revolving credit facility which this effectively replaces was previously held in the parent company undertaking, Laddie Bidco Limited.

As part of the corporate restructuring programme several group companies have been put into voluntary liquidation, three of these were 100% subsidiaries of this Company, the other eight were various parent undertakings and dormant finance holding entities within the Group.

23. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption granted by FRS102 section 33 "Related party disclosures" to disclose related party transactions with other wholly owned group companies

24. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is Tula Group Limited, a company incorporated in the United Kingdom. Following the acquisition of the Radley group by the ultimate controlling party Bregal Freshstream L.P. in June 2016, the financial statements of the company are consolidated in the consolidated financial statements of the company's ultimate parent undertaking, Laddie Topco Limited, a company incorporated in the United Kingdom. The consolidated financial statements of Laddie Topco Limited are available from: McBeath House, 310 Goswell Road, London, EC1V 7LW.