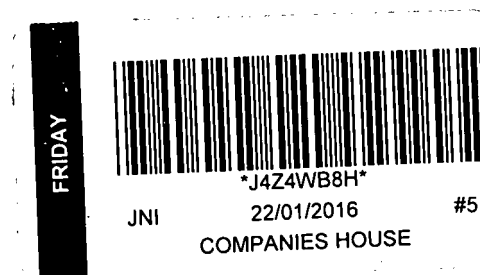
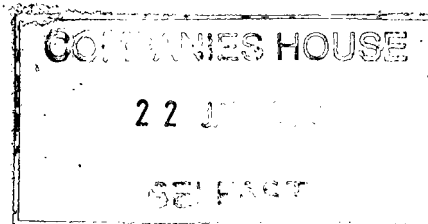


Truly SPV1 Limited

Report and Financial Statements

30 April 2015



Company Information

Directors

R Tudor
R Best
L Harder
H Lenon
O Bower

Auditors

Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast BT2 7DT

Bankers

Lloyds TSB Bank
25 Gresham Street
London EC2V 7HN

Solicitors

Travers Smith
10 Snowhill
London EC1A 2AL

Registered Office

McBeath House
310 Goswell Road
London EC1V 7LW

Strategic report

The directors present their strategic report for the year ended 30 April 2015.

Principal activities and review of the business

The group offers multi-channel distribution of its leading UK premium handbag and accessory brand, Radley London, through strong UK and international wholesale distribution with respected high street department store partners and independent retailers. Its wholly owned subsidiary, Radley + Co. Limited, runs this business along with the company's growing UK & international on-line business, reaching out to 47 countries worldwide. This company provides 38% of all external group sales.

Another subsidiary in the group, Radley Retail Limited, operates 33 standalone stores combined with 39 staffed and unstaffed concessions throughout UK and Ireland, which have contributed 62% of all external group sales.

The group's key performance indicators during the year were as follows:

	2015 £000	2014 £000
Turnover	64,404	64,314
Operating profit before goodwill	4,469	2,248
Goodwill amortisation	(2,400)	(2,400)
Operating profit/(loss) after goodwill	2,069	(152)
Shareholders' deficit	<u>(130,020)</u>	<u>(109,484)</u>
Average monthly number of employees	532	537
Revenue per employee (£)	<u>121</u>	<u>120</u>

The directors believe the operating profit before goodwill of £4,469k for the year represents a strongly improved trading result versus 2014, considering the highly promotional retail environment and tough economic conditions impacting the available discretionary spend of Radley London customers. The directors reviewed the carrying value of goodwill on the balance sheet as at 30 April 2015 and no impairment was deemed necessary (2014 – nil).

Principal risks and uncertainties

The group'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 group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group by monitoring levels of currency exposure and the related finance costs.

Exchange rate risk

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

Credit risk

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

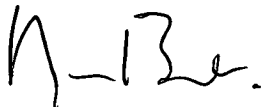
Strategic report

Principal risks and uncertainties (continued)

Liquidity risk

The group actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the group has sufficient available funds for operations and planned expansions.

On behalf of the Board



R Best

Director

Date: 13/1/2016

Directors' report

The directors present their report and financial statements for the year ended 30 April 2015.

Results and dividends

The group loss for the year after taxation amounted to £20,536k (2014 – loss of £19,308k). The directors do not recommend a final dividend (2014 – £nil).

Future developments

The directors have confidence in the new management team and its aim to run the business to restore and maximise value through demonstrating:

- A return to the successful design and creative influence of the founder of the Brand resulting in improved product sell-through across all markets
- Brand consistency across a profitable UK Retail Footprint, driving higher densities and contribution
- The shift in consumer traffic from 'Bricks to Clicks' will continue and International Online markets will grow resulting in significant Website sales growth
- Strategic International growth with strong local partners and with models that are immediately profitable and do not require high investment in working capital
- Strong relationship with key manufacturers whilst strengthening capacity availability

Directors

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

R Tudor
R Best
L Harder
H Lenon
O Bower

Disabled employees

The group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Employee involvement

The company operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004.

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 group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Directors' report

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.

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



R Best

Director

Date: 13/1/2016

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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). 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 group and the company 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Truly SPV1 Limited

We have audited the financial statements of Truly SPV1 Limited for the year ended 30 April 2015 which comprise Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group and Company Balance Sheets, the Group Statement of Cash Flows and the related notes 1 to 26. 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).

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 6, 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 group's and the parent 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 Strategic Report and Directors' Report 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 the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent undertakings affairs as at 30 April 2015 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Independent auditors' report

to the members of Truly SPV1 Limited

Matters on which we are required to report by exception

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



Keith Jess (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

Date

19 January 2016

Group profit and loss account

for the year ended 30 April 2015

	Notes	2015 £000	2014 £000
Turnover	2	64,404	64,314
Cost of sales		(26,171)	(26,311)
Gross profit		38,233	38,003
Selling and distribution expenses		(1,735)	(1,885)
Amortisation of goodwill		(2,400)	(2,400)
Other administration costs		(32,031)	(34,124)
Other operating income		2	254
Operating profit	3	2,069	(152)
Loss on disposal of fixed asset		(47)	(120)
Interest receivable and similar income		410	416
Interest payable and similar charges	6	(22,210)	(19,042)
Loss on ordinary activities before taxation		(19,778)	(18,898)
Tax	7	(758)	(410)
Loss for the financial year	18	(20,536)	(19,308)

All amounts relate to continuing activities.

Group statement of total recognised gains and losses

for the year ended 30 April 2015

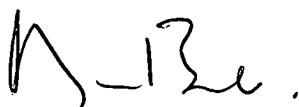
There are no recognised gains or losses other than the loss attributable to the shareholders of the group of £20,536k in the year ended 30 April 2015 (2014 – loss of £19,308k).

Group balance sheet

at 30 April 2015

	Notes	2015 £000	2014 £000
Fixed assets			
Intangible asset – goodwill	9	28,806	31,207
Intangible asset – trademarks	9	98	124
Tangible assets	10	2,864	2,303
		<u>31,768</u>	<u>33,634</u>
Current assets			
Stocks	12	11,301	9,913
Debtors	13	6,270	6,615
Cash at bank and in hand		9,463	6,815
		<u>27,034</u>	<u>23,343</u>
Creditors: amounts falling due within one year	14	<u>(10,812)</u>	<u>(11,178)</u>
Net current assets		<u>16,222</u>	<u>12,165</u>
Total assets less current liabilities		47,990	45,799
Creditors: amounts falling due after more than one year	15	<u>(178,010)</u>	<u>(155,283)</u>
Net liabilities		<u>(130,020)</u>	<u>(109,484)</u>
Capital and reserves			
Called up share capital	17	101	101
Share premium account	18	981	981
Profit and loss account	18	<u>(131,102)</u>	<u>(110,566)</u>
Shareholders' deficit	19	<u>(130,020)</u>	<u>(109,484)</u>

On behalf of the Board



R Best

Director

Date: 13/1/2016

Company balance sheet

at 30 April 2015

	Notes	2015 £000	2014 £000
Fixed assets			
Investments	11	39,480	39,480
Current assets			
Debtors	13	22,544	22,532
Creditors: amounts falling due within one year	14	(5,737)	(5,686)
Net current assets		16,607	16,846
Total assets less current liabilities		56,287	56,326
Creditors: amounts falling due after more than one year	15	(156,216)	(135,445)
Net liabilities		(99,929)	(79,119)
Capital and reserves			
Called up share capital	17	101	101
Share premium account	18	981	981
Profit and loss account	18	(101,011)	(80,201)
Shareholders' funds	19	(99,929)	(79,119)

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



R Best

Director

Date: 13/1/2016

Group statement of cash flows

for the year ended 30 April 2015

	Notes	2015 £000	2014 £000
Net cash inflow/(outflow) from operating activities	20(a)	7,391	3,314
Returns on investments and servicing of finance	20(b)	(801)	(847)
Taxation	20(b)	(1,893)	(47)
Capital expenditure and financial investment	20(b)	(2,049)	(452)
Net cash outflow before financing		2,648	1,968
Financing	20(b)	—	(96)
Increase in cash		2,648	1,872

Reconciliation of net cash flow to movement in net debt

	Notes	2015 £000	2014 £000
Increase in cash		2,648	1,872
Cash inflow in debt financing		—	96
Change in net debt resulting from cash flows	20(c)	2,648	1,968
Amortisation and write off of deferred finance costs		(228)	(228)
Movement in net debt in the year		2,420	1,740
Net debt at 1 May	20(c)	(111,568)	(113,308)
Net funds at 30 April	20(c)	(109,148)	(111,568)

Notes to the financial statements

at 30 April 2015

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Going concern

On 30 April 2014, the shareholders of the company acquired all the outstanding external borrowings of the group. There are currently no outstanding events of default under the facilities agreement, and the shareholders have confirmed in writing to the Directors that no acceleration or enforcement action will be sought in the event of any defaults over the next 12 months.

Additionally the Board have prepared 12 month profit and cash flow projections to 31 December 2016 which show adequate cash to service the external borrowings and meet the Group's liabilities as they fall due.

Accordingly, having had regard to the legal advice they have received, and the projections, the Directors have prepared the financial statements on the going concern basis.

The group financial statements consolidate the financial statements of Truly SPV 1 Limited and all its subsidiary undertakings up to 30 April each year. A separate profit and loss account for the parent undertaking has not been presented as permitted by section 408 of the Companies Act 2006.

Goodwill

Goodwill arising on consolidation, being the difference between the fair value of consideration paid and the fair value of net assets acquired, is capitalised and amortised in equal annual instalments over its useful life. The directors consider that the goodwill acquired has a useful life of 20 years.

The cost of securing and renewing trademarks and other intellectual property is capitalised as an intangible asset and amortised by equal annual instalments over its useful economic life of 10 years. The 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 carrying value of goodwill is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Tangible fixed assets

Depreciation is provided on cost in equal instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Leasehold property and improvements	–	over the lease term
Fixtures and fittings	–	15% to 20% per annum
Motor vehicles	–	25% per annum
Plant and machinery	–	20% to 33% per annum

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Investments

Investments in subsidiaries are valued at cost less provision for impairment.

Notes to the financial statements

at 30 April 2015

1. Accounting policies (continued)

Turnover

Turnover comprises revenue, excluding VAT where applicable, generated from the group's principal activities.

Revenue 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 revenue 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.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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 balance sheet date.

Foreign currencies

Transactions in foreign currencies are recorded at the 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 balance sheet date.

All differences are taken to the profit and loss account.

Classification of shares as debt or equity

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Accordingly, a financial instrument is treated as equity if:

- There is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable; and
- The instrument is a non-derivative that contains no contractual obligations to deliver a variable number of shares or is a derivative that will be settled only by the group exchanging a fixed amount of cash or other assets for a fixed number of the group's own equity instruments.

When shares are issued, any component that creates a financial liability of the company or group is presented as a liability in the balance sheet. The corresponding dividends are charged as a finance expense in the profit and loss account.

Notes to the financial statements

at 30 April 2015

1. Accounting policies (continued)

Interest-bearing loans and borrowings

All interest-bearing loans and borrowings are initially recognised at net proceeds. After initial recognition debt is increased by the finance cost in respect of the reporting period and reduced by payments made in respect of the debts of the period. Finance costs of debt are allocated over 8 years being the term of the debt at a constant rate on the carrying amount.

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Lease incentives are recognised over the shorter of the lease term and the date of the next rent review.

Pensions

The group pays contributions to employees' personal pension schemes. The charge in the financial statements represents amounts paid in the year.

2. Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the group's ordinary activities, stated net of value added tax.

An analysis of turnover by geographical market is given below:

	2015 £000	2014 £000
United Kingdom	58,566	58,584
Republic of Ireland	966	1,256
Rest of the world	4,872	4,474
	<u>64,404</u>	<u>64,314</u>

3. Operating profit

This is stated after charging/(crediting):

	2015 £000	2014 £000
Auditors' remuneration		
– audit	65	52
– non-audit (taxation)	30	16
Depreciation of tangible fixed assets	1,439	1,990
Amortisation of intangible assets		
– trademarks	26	26
– goodwill amortisation	2,401	2,400
Foreign exchange gain	(364)	(580)
Operating lease rentals		
– land and buildings	4,125	4,583
– plant and machinery	124	108
Research and development expenditure written off	185	77

Notes to the financial statements

at 30 April 2015

4. Directors' remuneration

	2015 £000	2014 £000
Remuneration	86	74
Aggregate amounts receivable under pension scheme	—	—
No of directors accruing benefits under defined contribution scheme	—	—

The remuneration paid in respect of the highest paid director amounted to £30,000 (2014 – £30,000). The highest paid director had contributions of £nil paid to a pension scheme in the year (2014 – £nil).

5. Staff costs

	2015 £000	2014 £000
Wages and salaries	9,982	9,717
Social security costs	888	837
Other pension costs	207	154
	11,077	10,708

The average monthly number of employees during the year was made up as follows:

	No.	No.
Administration	64	64
Selling and distribution	468	473
	532	537

6. Interest payable and similar charges

	2015 £000	2014 £000
Bank loans and overdraft	1,211	1,263
Interest on preference shares	13,889	12,346
Interest on loan notes	6,882	5,204
Amortisation of deferred finance costs	228	229
	22,210	19,042

Interest on preference shares (12.5%) began accruing from 11 December 2011. Interest on the loan notes issued (30%) commenced on 20 January 2012.

Notes to the financial statements

at 30 April 2015

7. Tax

(a) Tax on loss on ordinary activities

The tax loss is made up as follows:

	2015 £000	2014 £000
Current tax:		
UK corporation tax on the loss for the year	788	460
Adjustments in respect of prior periods	(83)	1
Total current tax (note 7(b))	705	461
Deferred tax:		
Release of deferred tax provision	39	(100)
Adjustments in respect of prior periods	21	(2)
Effect of change in rate of corporation tax	(5)	51
Total deferred tax (note 7(c))	55	(51)
Tax on loss on ordinary activities	758	410

(b) Factors affecting the current tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20.92% (2014 – 22.830%). The differences are explained below:

	2015 £000	2014 £000
Loss on ordinary activities before tax	(19,778)	(18,898)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.92% (2014 – 22.830%)	(4,138)	(4,314)
Effects of:		
Disallowed expenses and non-taxable income	119	105
Preference share interest	2,906	2,818
Loan note interest	1,440	1,188
Capital allowances in excess of depreciation	(49)	169
Short term timing differences	8	84
Goodwill amortisation and impairment	502	548
Adjustments to tax charge in respect of previous years	(83)	1
Losses not utilised	–	(138)
Current tax for the year (note 7(a))	705	461

Notes to the financial statements

at 30 April 2015

7. Tax (continued)

(c) Deferred tax asset

		£000
At 1 May 2014		792
Credit to the profit and loss account in current year (note 7(a))		(55)
At 30 April 2015		<u>737</u>
	2015	2014
	£000	£000
Decelerated capital allowances	474	526
Short term timing differences	264	266
	<u>737</u>	<u>792</u>

8. Loss attributable to members of the parent undertaking

The group financial statements include the financial statements of the company and its subsidiary undertakings from the effective date of acquisition, made up to 30 April 2015. The loss dealt with in the financial statements of the parent undertaking is £20,820,577 (2014 – loss of £17,550,009). The current year loss has resulted mainly from interest and preference dividends payable

9. Intangible fixed assets

<i>Group</i>	<i>Trademarks</i> £000	<i>Goodwill</i> £000	<i>Total</i> £000
Cost:			
At 1 May 2014	264	117,432	117,696
Additions in year	–	–	–
At 30 April 2015	<u>264</u>	<u>117,432</u>	<u>117,696</u>
Amortisation:			
At 1 May 2014	140	86,225	86,365
Amortisation in the year	26	2,401	2,427
At 30 April 2015	<u>166</u>	<u>88,626</u>	<u>88,792</u>
Net carrying value:			
At 30 April 2015	<u>98</u>	<u>28,806</u>	<u>28,904</u>
At 1 May 2014	<u>124</u>	<u>31,207</u>	<u>31,331</u>

The directors reviewed the carrying value of goodwill on the balance sheet as at 30 April 2015 and it was concluded that no impairment charge was required in the current year (2014 – £nil).

Notes to the financial statements

at 30 April 2015

10. Tangible fixed assets

<i>Group</i>	<i>Leasehold property and improve- ments £000</i>	<i>Plant and machinery £000</i>	<i>Fixtures and fittings equipment £000</i>	<i>Motor vehicles £000</i>	<i>Total £000</i>
Cost or valuation:					
At 1 May 2014	3,980	467	6,299	–	10,746
Additions	1,445	55	124	425	2,049
Disposals	(903)	–	(203)	–	(1,106)
At 30 April 2015	4,522	522	6,220	425	11,689
Depreciation:					
At 1 May 2014	3,143	474	4,826	–	8,443
Charge for the year	545	11	377	506	1,439
On disposals	(903)	–	(154)	–	(1,057)
At 30 April 2015	2,785	485	5,048	506	8,825
Net book value:					
At 30 April 2015	1,737	37	1,172	(81)	2,864
At 1 May 2014	837	(7)	1,473	–	2,303

11. Investments

<i>Company</i>	<i>Shares in subsidiary undertakings £000</i>
Cost:	
At 1 May 2014 and at 30 April 2015	39,480

Notes to the financial statements

at 30 April 2015

11. Investments (continued)

Details of the company's subsidiary undertakings are as follows:

<i>Name of company</i>	<i>Country of registration and of operation</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
Radley SPV2 Limited	England	Ordinary shares	100%	Intermediate parent undertaking
Deeply SPV3 Limited*	England	Ordinary shares	100%	Intermediate parent undertaking
Milo (SPV 4) Limited	England	Ordinary shares	100%	Finance company
Radley Group Limited	England	Ordinary shares	100%	Non-trading
Radley Finance Limited*	England	Ordinary shares	100%	Intermediate parent undertaking
Radley Acquisitions Limited*	England	Ordinary shares	100%	Intermediate parent undertaking
Tula Group Limited*	England	Ordinary shares	100%	Intermediate parent undertaking
Radley + Co Limited*	England	Ordinary shares	100%	Design and wholesale of bags and accessories
Radley Retail Limited*	England	Ordinary shares	100%	Design and retail of bags and accessories
Hidesign Accessories Limited*	England	Ordinary shares	100%	Dormant
Tula Bags Limited*	England	Ordinary shares	100%	Dormant
Lockey Bros. Limited*	England	Ordinary shares	100%	Dormant

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.

12. Stocks

<i>Group</i>	<i>2015</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>
Goods for resale	11,301	9,913

Notes to the financial statements

at 30 April 2015

13. Debtors

	<i>Group</i>		<i>Company</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Trade debtors	2,135	1,761	–	–
Amounts owed by group undertakings	–	–	22,498	22,486
Other debtors	978	1,424	–	–
Other prepayments and accrued income	2,420	2,638	46	46
Deferred tax (note 7(c))	737	792	–	–
	<u>6,270</u>	<u>6,615</u>	<u>22,544</u>	<u>22,532</u>

14. Creditors: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Shareholder Loan	–	1,852	–	–
Trade creditors	3,504	3,327	–	–
Amounts owed to group undertakings	–	–	5,736	5,686
Corporation tax payable	732	460	–	–
Other creditors including taxation and social security costs	1,347	1,439	–	–
Accruals and deferred income	5,229	4,100	–	–
	<u>10,812</u>	<u>11,178</u>	<u>5,736</u>	<u>5,686</u>

15. Creditors: amounts falling due after more than one year

	<i>Group</i>		<i>Company</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Shareholder Loan	20,728	18,648	–	–
Preference shares (A – £83,640,610 B – £2,992,440)	86,633	86,633	86,633	86,633
Loan notes	11,250	11,250	11,250	11,250
Interest on preference shares (note 26)	41,363	27,474	41,363	27,474
Interest on loan notes (note 26)	16,970	10,088	16,970	10,088
Other creditors	1,066	1,190	–	–
	<u>178,010</u>	<u>155,283</u>	<u>156,216</u>	<u>135,445</u>

On 30 April 2014 the Groups outstanding bank debt was acquired by the shareholders and a waiver of any outstanding defaults and events of defaults were issued on 22 June 2015 by the new owners of the debt with the repayment date Scheduled for 31 December 2017.

Notes to the financial statements

at 30 April 2015

16. Loans

Total loans are repayable by instalments as follows:

<i>Group</i>	<i>2015</i> <i>£000</i>	<i>2014</i> <i>£000</i>
Due within one year	–	1,852
In two to five years	20,882	19,030
	<u>20,882</u>	<u>20,882</u>
Less deferred finance costs	(154)	(382)
	<u>20,728</u>	<u>20,500</u>

Repayments on loans are due on 31 December 2017. Interest is charged at LIBOR plus a margin.

17. Issued share capital

<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>2015</i> <i>£000</i>	<i>No.</i>	<i>2014</i> <i>£000</i>
'A' Ordinary shares of £0.10 each	640,273	64	640,273	64
'B' Ordinary shares of £0.10 each	84,727	8	84,727	8
'C' Ordinary shares of £0.10 each	275,000	28	275,000	28
Preferred ordinary shares	84,375	1	84,375	1
£1 cumulative redeemable 'A' 12½% preference shares	83,640,610	83,641	83,640,610	83,641
£1 'B' zero coupon preference shares	2,992,440	2,992	2,992,440	2,992
		<u>86,734</u>		<u>86,734</u>
Less presented as creditors: amounts falling due after more than one year		(86,633)		(86,633)
		<u>101</u>		<u>101</u>

Each ordinary share carries one vote; preference shares have no voting rights.

18. Movements on reserves

<i>Group</i>	<i>Share premium</i> <i>£000</i>	<i>Profit and loss account</i> <i>£000</i>
At 1 May 2013	981	(91,258)
Loss for the year	–	(19,308)
At 1 May 2014	981	(110,566)
Loss for the year	–	(20,536)
At 30 April 2015	<u>981</u>	<u>(131,102)</u>

Notes to the financial statements

at 30 April 2015

18. Movements on reserves (continued)

<i>Company</i>	<i>Share premium £000</i>	<i>Profit and loss account £000</i>
At 1 May 2013	981	(62,651)
Loss for the year	—	(17,550)
At 1 May 2014	981	(80,201)
Loss for the year	—	(20,810)
At 30 April 2015	981	(101,011)

19. Reconciliation of shareholders' deficit

<i>Group</i>	<i>2015 £000</i>	<i>2014 £000</i>
Net increase in shareholders' deficit	(20,536)	(19,306)
Opening shareholders' deficit	(109,484)	(90,178)
Closing shareholders' deficit	(130,020)	(109,484)
<i>Company</i>	<i>2015 £000</i>	<i>2014 £000</i>
Net increase in shareholders' deficit	(20,810)	(17,550)
Opening shareholders' deficit	(79,119)	(61,569)
Closing shareholders' deficit	(99,929)	(79,119)

20. Notes to the statement of cash flows

(a) Reconciliation of operating loss to net cash inflow from operating activities

	<i>2015 £000</i>	<i>2014 £000</i>
Operating profit/(loss)	2,071	(152)
Intangible amortisation	2,427	2,426
Depreciation of tangible fixed assets	1,439	1,990
Foreign exchange gain	(361)	(580)
(Increase)/decrease in stocks	(1,388)	459
Decrease/(increase) in debtors	286	(581)
Increase/(decrease) in creditors	2,917	(248)
	7,391	3,314

Notes to the financial statements

at 30 April 2015

20. Notes to the statement of cash flows (continued)

(b) Analysis of cash flows for headings netted in the statement of cash flows

	2015 £000	2014 £000
Returns on investments and servicing of finance		
Interest received	410	416
Interest paid	(1,211)	(1,263)
Net cash outflow from returns on investments and servicing of finance	(801)	(847)
Taxation		
Corporation tax paid	(1,893)	(47)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(2,049)	(570)
Receipts from sale of tangible fixed assets	–	118
Net cash outflow from capital expenditure and financial investment	(2,049)	(452)
Financing		
Long-term loans repaid	–	(96)
Net cash outflow from financing	–	(96)

(c) Analysis of net debt

	At 1 May 2014 £000	Cash flow £000	Re-class of Debt £000	Non cash movement £000	At 30 April 2015 £000
Cash at bank and in hand	6,815	2,648	–	–	9,463
Shareholder loan due within one year	(1,852)	–	1,852	–	–
	4,963	2,648	1,852	–	9,463
Shareholder loan due after one year	(18,648)	–	(1,852)	(228)	(20,728)
Preference shares due after one year	(86,633)	–	–	–	(86,633)
Loan notes	(11,250)	–	–	–	(11,250)
	(111,568)	2,648	–	(228)	(109,148)

The non cash movement on shareholder loans relates to the amortisation of deferred finance costs.

Notes to the financial statements

at 30 April 2015

21. Capital commitments

At 30 April 2015 the group had contracted capital commitments of £nil (2014 – £nil).

22. Other financial commitments

At 30 April 2015 the company had annual commitments under non-cancellable operating leases as set out below:

	2015		2014	
	<i>Land and buildings</i>	<i>Other</i>	<i>Land and buildings</i>	<i>Other</i>
	£000	£000	£000	£000
Operating leases which expire:				
Within one year	360	7	329	14
In two to five years	2,081	80	1,003	57
Over five years	1,849	–	3,452	–
	<u>4,290</u>	<u>87</u>	<u>4,784</u>	<u>71</u>

23. Contingent Liabilities

In the normal course of the business the group are involved in various legal cases and claims. The Directors take independent legal advice on these matters. Where the Group 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.

24. Derivatives

The group purchases forward foreign currency contracts, when required, to hedge currency exposure on firm future commitments. The gross amount of forward foreign contracts at year end was £10m (2014 – £9.9m) with those year end contracts unwinding by 30 Oct 2015.

Notes to the financial statements

at 30 April 2015

25. Related party transactions

During the year the group received services from Exponent Private Equity LLP. These services provided were invoiced at a total cost of £82,083 (2014 – £100,000). At the year-end an amount of £18,333 (2014 – £83,333) is owed to Exponent Private Equity LLP in respect of these services. In addition, at the year-end an amount of £15,833 is owed to two other directors' companies in respect of consultancy services provided in the year. Services provided by these two directors' companies were invoiced at a total cost of £216,500 (2014 – £239,992).

Preference shares

The following preference shares were held by the associated related parties:

	'A' Preference shares £000	'B' Preference shares £000
Exponent Private Equity Group	58,999	–
Phoenix Equity Partners	14,867	1,666
Management	9,775	1,326
	<u>83,641</u>	<u>2,992</u>

The following interest is accrued on the 'A' preference shares.

	2015 £000	2014 £000
Exponent Private Equity Group	29,177	19,380
Phoenix Equity Partners	7,352	4,883
Management	4,834	3,210
	<u>41,363</u>	<u>27,473</u>

Loan notes

On 20 January 2012 11,250,000 loan notes at £1 each were issued to various noteholders. These loan notes accrue interest at 30% per annum with both the principal and interest due for repayment on the earlier of 31 December 2020 or a share sale, asset sale or winding up of Truly SPV 1 Limited. At year end interest of £17m (2014 – £10m) was accrued on the loan notes. The loan notes are secured by way of assignment of the receivables due to Truly SPV1 Limited from Milo SPV 4 Limited (in respect of a loan granted by Truly SPV1 Limited to Milo SPV 4 Limited made from the proceeds of the issue of the loan notes) and a charge over the shares in Milo SPV 4 Limited.

26. Ultimate parent undertaking and controlling party

Truly SPV 1 Limited's immediate and ultimate parent undertaking and controlling party is considered to be Exponent Private Equity LLP. These financial statements are the smallest and largest group for which group financial statements are prepared.