

**Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2017
for
CROCS UK LIMITED**

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for the year ended 31 December 2017

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CROCS UK LIMITED

Company Information *for the year ended 31 December 2017*

DIRECTORS:

Crocs Europe BV
A C E de Best

SECRETARIES:

T A David
Abogado Nominees Limited

REGISTERED OFFICE:

Warwick House
Floor 3
64-65 Cowcross Street
Farringdon
London
EC1M 6EG

REGISTERED NUMBER:

06032591 (England and Wales)

AUDITORS:

Rostrons
Chartered Accountants
Statutory Auditors
Yare House
62-64 Thorpe Road
Norwich
Norfolk
NR1 1RY

Strategic Report
for the year ended 31 December 2017

The directors present their strategic report for the year ended 31 December 2017.

Crocs UK Ltd (the company) is wholly owned by Crocs Europe BV which is based in Hoofddorp, the Netherlands. The company sells Crocs and Jibbitz-branded products in wholly-owned retail stores throughout the United Kingdom, and earns sales commissions on Crocs products sold in non-Crocs UK stores. Crocs is a casual lifestyle footwear brand.

The company closed 4 stores in 2017. The total number of owned stores at 31 December 2017 was 3.

REVIEW OF BUSINESS

Revenue fell by 28% to £2.7 million (31/12/16 - £3.7 million) and the gross profit fell by 25% to £2.0 million (31/12/16 - £2.6 million). The closure of the 4 stores during the year contributed to this reduction in sales and gross profits. Administrative expenses fell 54% to £1.7 million (31/12/16 - £3.6 million). The result for the financial year before tax is a profit of £0.2 million (31/12/16 - loss £1.2 million).

At the end of the year the company had net assets of £2.0 million (31/12/2016 - net liabilities of £6.5 million).

PRINCIPAL RISKS AND UNCERTAINTIES

The main risk factors relating to the company are as follows:

- uncertainty about the current and future economic conditions within the United Kingdom may cause consumers to defer generally retail purchases, including our products, and we are dependent on consumer traffic in shopping areas;
- the footwear industry is highly competitive.

The risk factors have the full attention of the Board of Directors and are embedded in our short and long term strategy.

FINANCIAL INSTRUMENTS

Credit and interest rate risk

Crocs UK Limited does not have an external credit facility and does not pay or charge interest on group trading balances. The company did pay interest on the long term group loan which was exchanged for equity during the year (note 12). The interest rate on the loan varied with LIBOR, and any significant fluctuations were discussed within the group and the terms were renegotiated if considered necessary.

The company has no trade debts from outside the group.

In consequence the directors do not consider that Crocs UK Limited has material exposure in the case of fluctuations of the interest rate or credit risk.

Price and foreign currency exchange risk

Crocs UK Limited is exposed to price and exchange rate risks on the cost of its inventories. The company purchases Crocs products from Crocs Europe BV at arms length third-party manufacturing cost plus duties and freight. Crocs Europe BV purchase Crocs products from overseas third-party manufacturers and pay for these purchases in US dollars. Therefore any impact resulting from changes in product costs and changes in the exchange rate between euros and dollars is passed on to Crocs UK Limited. The parent company Crocs Europe BV does enter into foreign currency exchange forward contracts to reduce the exposure to changes in exchange rates.

Liquidity risk

Periodically liquidity budgets are prepared. Liquidity risks are controlled through the monitoring of the forecasts, and taking action when required. Crocs UK Limited does not have the need for a credit facility as there are sufficient funds available to support the daily business from the ongoing financial support of its immediate parent Crocs Europe BV.

Cash flow statement

A cash flow statement of the company is included within the financial statements of Crocs Inc. the company's ultimate parent company. These financial statements are available to the public.

Strategic Report
for the year ended 31 December 2017

FUTURE OUTLOOK

It is our intention to continue to improve all aspects of our business over the coming years and to realise profitability, whilst ensuring that our customers continue to enjoy the highest level of service available. For 2018 the continued focus is on exiting unprofitable retail locations including the 3 remaining UK stores. Exiting out of retail will simplify the business and enable the directors to focus on wholesale and making the overall business as profitable as possible.

ON BEHALF OF THE BOARD:

A C E de Best - Director

26 July 2018

Report of the Directors
for the year ended 31 December 2017

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2017.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

Crocs Europe BV
A C E de Best

DISCLOSURE IN THE STRATEGIC REPORT

Information on the company's financial instruments is included in the Strategic Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

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 company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

A C E de Best - Director

26 July 2018

Report of the Independent Auditors to the Members of Crocs UK Limited

Opinion

We have audited the financial statements of Crocs UK Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and 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 company's affairs as at 31 December 2017 and of its profit 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.

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 company 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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the 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 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, 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.

Opinion 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 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 Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, 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.

Report of the Independent Auditors to the Members of Crocs UK Limited

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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.

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.

Shelly Clarke FCA (Senior Statutory Auditor)
for and on behalf of Rostrons
Chartered Accountants
Statutory Auditors
Yare House
62-64 Thorpe Road
Norwich
Norfolk
NR1 1RY

30 July 2018

Statement of Comprehensive Income
for the year ended 31 December 2017

		31/12/17	31/12/16
	Notes	£	£
REVENUE	3	2,680,135	3,742,871
Cost of sales		711,177	1,124,386
GROSS PROFIT		1,968,958	2,618,485
Administrative expenses		1,673,103	3,649,986
OPERATING PROFIT/(LOSS)	5	295,855	(1,031,501)
Interest payable and similar expenses	6	68,146	216,444
PROFIT/(LOSS) BEFORE TAXATION		227,709	(1,247,945)
Tax on profit/(loss)	7	-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		227,709	(1,247,945)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		227,709	(1,247,945)

The notes form part of these financial statements

Statement of Financial Position
31 December 2017

	Notes	31/12/17 £	£	31/12/16 £	£
FIXED ASSETS					
Property, plant and equipment	8		4,357		8,965
CURRENT ASSETS					
Inventories	9	61,352		170,141	
Debtors	10	14,468,383		15,655,924	
Cash at bank		<u>122,253</u>		<u>534,690</u>	
		14,651,988		16,360,755	
CREDITORS					
Amounts falling due within one year	11	<u>12,687,023</u>		<u>15,274,716</u>	
NET CURRENT ASSETS			<u>1,964,965</u>		<u>1,086,039</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,969,322</u>		<u>1,095,004</u>
CREDITORS					
Amounts falling due after more than one year	12		-		(7,500,000)
PROVISIONS FOR LIABILITIES	14		-		(92,925)
NET ASSETS/(LIABILITIES)			<u>1,969,322</u>		<u>(6,497,921)</u>
CAPITAL AND RESERVES					
Called up share capital	15		2		1
Share premium	16		8,239,533		-
Retained earnings	16		<u>(6,270,213)</u>		<u>(6,497,922)</u>
SHAREHOLDERS' FUNDS			<u>1,969,322</u>		<u>(6,497,921)</u>

The financial statements were approved by the Board of Directors on 26 July 2018 and were signed on its behalf by:

A C E de Best - Director

Statement of Changes in Equity
for the year ended 31 December 2017

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2016	1	(5,249,977)	-	(5,249,976)
Changes in equity				
Total comprehensive loss	-	(1,247,945)	-	(1,247,945)
Balance at 31 December 2016	1	(6,497,922)	-	(6,497,921)
Changes in equity				
Issue of share capital	1	-	8,239,533	8,239,534
Total comprehensive income	-	227,709	-	227,709
Balance at 31 December 2017	2	(6,270,213)	8,239,533	1,969,322

Notes to the Financial Statements
for the year ended 31 December 2017

1. STATUTORY INFORMATION

Crocs UK 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 Company Information page.

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.

Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Significant judgements and estimates

No significant judgements have had to be made by management in preparing these financial statements.

The directors have made key assumptions of future revenues and costs in the determination of the need to impair certain assets within property, plant and equipment (note 8).

The directors have estimated the amounts which would be required under the "make-good" clauses in the company's property leases based on the condition of the properties at the reporting date (note 14).

Revenue

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied and sales commissions earned net of discounts, rebates, value added tax and other sales taxes.

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods have substantially transferred to the buyer. Retail revenue is recognised upon physical transfer of the goods to the customer at the point of sale.

Revenue from sales commission is recognised on fulfilled purchase orders made directly as a result of Crocs UK Limited mediation as agent, and when the amount of revenue can be measured reliably and it is probable that future economic benefits will flow to the entity.

Property, plant and equipment.

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

Fixtures and fittings - 20% straight line

At the date of the statement of financial position, the company reviews the carrying value of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is measured on a moving average cost basis and includes purchase price, import duties and other costs incurred in bringing the inventories to their current location and condition.

Notes to the Financial Statements - continued
for the year ended 31 December 2017

2. **ACCOUNTING POLICIES - continued**

Financial instruments

Short-term debtors are measured at transaction price, less any impairment. The impairment loss is measured as the difference between an asset's carrying value and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Short-term trade creditors are measured at the transaction price. Other financial liabilities, including amounts owed to group undertakings, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Foreign currencies

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

Leasing commitments

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Lease incentives are allocated to the income statement over the lease term on a straight-line basis.

Lease premiums paid are allocated to the income statement over the lease term on a straight-line basis.

Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Transfer pricing

Inventories for resale are purchased from the parent company Crocs Europe B.V. The company uses the transactional net margin method to account for these purchases. Crocs Europe B.V. purchases inventories from an unrelated third party manufacturer at an arms length price. No profit mark up is applied to the price charged to Crocs UK Limited. As a result, the cost of inventories comprises the cost of manufacture, shipping and any import duties for the group. Under the terms of the transactional net margin method Crocs Europe B.V. raises a transfer pricing adjustment to ensure an appropriate net operating profit is achieved in Crocs UK Limited.

Sales commission is charged to the parent company Crocs Europe B.V. The company uses the comparable uncontrolled price method to determine the transfer price to be applied.

Loan interest was paid to the parent company Crocs Europe B.V. The company uses the comparable uncontrolled price method to determine the rate of interest applied to the loan.

Provisions

Provisions are recognised when the company has a legal or constructive obligation at the reporting date as a result of a past event, when it is probable that the company will be required to settle the obligation and the amount of the obligation can be reliably estimated.

Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Employee benefits

Short-term employee benefits are recognised as an expense in the period in which they are incurred.

Termination benefits are recognised only when the company is demonstrably committed to terminate the employment of an employee or a group of employees before their normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

Notes to the Financial Statements - continued
for the year ended 31 December 2017

3. REVENUE

The revenue and profit (2016 - loss) before taxation are attributable to the one principal activity of the company.

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

	31/12/17	31/12/16
	£	£
Sales of goods	1,790,557	2,991,049
Commission	889,578	751,822
	<u>2,680,135</u>	<u>3,742,871</u>

4. EMPLOYEES AND DIRECTORS

	31/12/17	31/12/16
	£	£
Wages and salaries	864,519	1,051,966
Social security costs	69,316	95,164
Other pension costs	3,937	5,151
	<u>937,772</u>	<u>1,152,281</u>

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

	31/12/17	31/12/16
Shop staff	32	47
Sales representatives	6	8
Administration staff	1	2
	<u>39</u>	<u>57</u>

	31/12/17	31/12/16
	£	£
Directors' remuneration	-	-

All pension payments above relate to payments to defined contribution plans.

5. OPERATING PROFIT/(LOSS)

The operating profit (2016 - operating loss) is stated after charging/(crediting):

	31/12/17	31/12/16
	£	£
Hire of plant and machinery	7,247	30,359
Other operating leases	492,127	674,450
Depreciation - owned assets	22,224	28,344
Auditors' remuneration	23,000	23,000
Foreign exchange differences	(502,429)	(20,230)
Cost of inventories recognised as an expense	711,177	1,124,386
Other services performed by the auditor	1,460	1,300
Termination payments	<u>61,363</u>	

Notes to the Financial Statements - continued
for the year ended 31 December 2017

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	31/12/17	31/12/16
	£	£
Interest on loans from group undertakings	61,172	216,444
Other interest	6,974	-
	<u>68,146</u>	<u>216,444</u>

7. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 December 2017 nor for the year ended 31 December 2016.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31/12/17	31/12/16
	£	£
Profit/(loss) before tax	<u>227,709</u>	<u>(1,247,945)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19.250% (2016 - 20%)	43,834	(249,589)
Effects of:		
Expenses not deductible for tax purposes	1,757	1,812
Utilisation of tax losses year	(49,869)	-
Tax losses carried forward	-	284,348
Deferred tax asset not recognised	<u>4,278</u>	<u>(36,571)</u>
Total tax charge	<u>-</u>	<u>-</u>

The company has unused tax losses of £2.9 million (31/12/2016 - £3.2 million). No deferred tax asset has been recognised in these accounts in respect of these losses.

Notes to the Financial Statements - continued
for the year ended 31 December 2017

8. PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings £
COST	
At 1 January 2017	781,468
Additions	17,616
Disposals	<u>(572,966)</u>
At 31 December 2017	<u>226,118</u>
DEPRECIATION	
At 1 January 2017	772,503
Charge for year	22,224
Eliminated on disposal	<u>(572,966)</u>
At 31 December 2017	<u>221,761</u>
NET BOOK VALUE	
At 31 December 2017	<u>4,357</u>
At 31 December 2016	<u>8,965</u>

9. INVENTORIES

	31/12/17 £	31/12/16 £
Goods for resale	<u>61,352</u>	<u>170,141</u>

10. DEBTORS

	31/12/17 £	31/12/16 £
Amounts falling due within one year:		
Other debtors	142,834	12,983
Amounts owed by group undertakings	13,980,801	15,279,272
VAT	103,222	-
Prepayments and accrued income	<u>151,283</u>	<u>183,719</u>
	<u>14,378,140</u>	<u>15,475,974</u>
Amounts falling due after more than one year:		
Other debtors	<u>90,243</u>	<u>179,950</u>
Aggregate amounts	<u>14,468,383</u>	<u>15,655,924</u>

Notes to the Financial Statements - continued
for the year ended 31 December 2017

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/17	31/12/16
	£	£
Trade creditors	47,472	218,222
Amounts owed to group undertakings	12,321,522	14,747,247
VAT	-	18,964
Other creditors	-	48
Accrued expenses	318,029	290,235
	<u>12,687,023</u>	<u>15,274,716</u>

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

	31/12/17	31/12/16
	£	£
Amounts owed to group undertakings	<u>-</u>	<u>7,500,000</u>

Included in amounts owed to group undertakings at 31 December 2016 is a loan of £7.5 million which was repayable on 31 December 2018. This loan was converted to share capital on 20 April 2017.

13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31/12/17	31/12/16
	£	£
Within one year	343,998	614,007
Between one and five years	347,625	1,051,521
In more than five years	-	33,332
	<u>691,623</u>	<u>1,698,860</u>

After the financial reporting date, the company surrendered a lease which is included above at a rent of £116,500 per annum for 3 years.

14. PROVISIONS FOR LIABILITIES

	31/12/17	31/12/16
	£	£
Other provisions	<u>-</u>	<u>92,925</u>
		Other provisions
		£
Balance at 1 January 2017		92,925
Credit to Statement of Comprehensive Income during year		(92,925)
Balance at 31 December 2017		<u>-</u>

Other provisions represent expected amounts payable under "make-good" clauses in retail unit operating leases. These liabilities have been transferred to Creditors: amounts falling due within one year at 31 December 2017 following the decision to close all the relevant stores.

Notes to the Financial Statements - continued
for the year ended 31 December 2017

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value: £1	31/12/17 £	31/12/16 £
Number:	Class:			
2	Ordinary		<u>2</u>	<u>1</u>

During the year 1 ordinary share of £1 was allotted on the release and satisfaction of the outstanding balance owed by the company to Crocs Europe B.V pursuant to a loan agreement entered into on 1 December 2012. The amount of consideration for the share on release of the loan was £8,239,534.

All ordinary shares carry one vote per share. There are no restrictions on the distribution of dividends and the repayment of capital.

16. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 January 2017	(6,497,922)	-	(6,497,922)
Profit for the year	227,709		227,709
Share issue	-	8,239,533	8,239,533
At 31 December 2017	<u>(6,270,213)</u>	<u>8,239,533</u>	<u>1,969,320</u>

17. RELATED PARTY DISCLOSURES

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.

18. POST BALANCE SHEET EVENTS

After the year end the directors made the decision to close the 3 remaining stores. The company will continue to trade in the UK through the sale of Crocs products in non-Crocs owned stores, from which the company earns commission.

19. ULTIMATE CONTROLLING PARTY

The company's immediate parent is Crocs Europe BV a company incorporated in the Netherlands.

The company's ultimate parent and controlling party is Crocs Inc., a company incorporated in the United States of America.

Copies of the consolidated financial statements of Crocs Inc. are available online at www.crocs.com. The financial statements of Crocs UK Limited are consolidated in the financial statements of Crocs Inc.

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