

# **Christian Louboutin UK Limited**

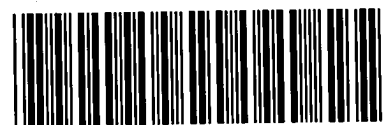
Report and Financial Statements

Year Ended

31 August 2016

Company Number 06619840

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# **Christian Louboutin UK Limited**

## **Report and financial statements for the year ended 31 August 2016**

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### **Directors**

Mr Bruno Chambelland  
Mr Christian Louboutin  
Mr Alexis Mourot

### **Secretary and registered office**

Mr Marcus Rebuck, 64 Ironmonger Row, London, United Kingdom, EC1V 3QR

### **Company number**

06619840

### **Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

# Christian Louboutin UK Limited

## Strategic report for the year ended 31 August 2016

### Trading results and review of the business

The results for the year and the financial position were considered satisfactory by the directors.

The company's continued growth strategy has been rewarded by a 19% growth in sales. The directors expect continued sales growth in the foreseeable future.

Gross Profit percentage 47.49% (2015 - 48.34%)

Stock Turnover 171 days (150 days)

The cash position has decreased in the period due to investment in the retail products to sustain sales growth and a £3.5m dividend payment to the shareholder.

### Principal risks and uncertainties

#### *Economic & Market Risks*

The economic outlook continues to be uncertain however, the consistent performance of our stores and concessions along with our varied client portfolio provides confidence for the future.

#### *Business Strategy Risks*

Adoption of the wrong business strategy or ineffective implementation of strategy could negatively affect the business. The Board therefore needs to understand and properly manage strategic risk to deliver long term growth. The Board reviews business strategy on a regular basis to appraise sales and profit budgets and determine how business operations can be made more efficient. This process includes the setting of mid-year forecasts, annual budgets and longer term financial objectives to identify ways to increase shareholder value.

#### *Retail Store Portfolio*

A key factor in the success of our luxury retail brand is the quality and location of our store portfolio which provides accessibility to our products for consumers and further enhances the luxury image of the brand. The successful development of new stores depends on several factors including the identification of suitable locations, obtaining planning permissions and the negotiation of acceptable lease terms. The company further reviews the existing store portfolio to identify investment in refurbishments to ensure consistency in the brand positioning. Desirable retail locations will generally remain in demand, and the increased competition for these can result in higher future rents and significant business rates increases.

### On behalf of the Board

Name:

Director

Date:

August 29<sup>th</sup>, 2017

# Christian Louboutin UK Limited

## Report of the directors for the year ended 31 August 2016

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The directors present their annual report together with the audited financial statements for the year ended 31 August 2016.

### Results and dividend

The results for the year are set out on page 6.

A dividend of £3,500,000 (2015 - £1,500,000) was declared and paid in the year.

### Directors

The directors of the company during the year and since the year end were:

Mr Bruno Chambelland

Mr Christian Louboutin

Mr Henri Seydoux (resigned 31 August 2016)

Mr Alexis Mourot (appointed 31 August 2016)

### Financial Instruments

The company is exposed through its operations to the following financial risks:

#### *Credit risk*

The company's main financial assets are cash and trade debtors. The directors consider there to be minimal credit risk in relation to the company's cash balances as these are all held at reputable financial institutions. The directors manage credit risk in respect of the company's trade debtors by assessing the credit risk of new customers & working with reputable partners before entering into such contracts.

#### *Liquidity risk*

The company actively manages its liquidity risk to meet its foreseeable needs both in the short and medium term. Where the directors consider that surplus funds are sufficient, these are paid in dividends to shareholders.

#### *Currency risk*

A proportion of the company's purchases are denominated in currencies other than Sterling. Therefore, the directors consider there to be exposure to currency risk. In the year under review the directors manage this risk at a group level.

# Christian Louboutin UK Limited

## Report of the directors for the year ended 31 August 2016 (*continued*)

### Directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 year.

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;
- 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.

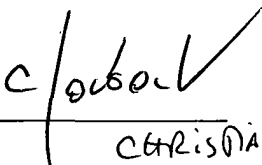
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

### Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the annual general meeting.

### On behalf of the Board

  
Name: CHRISTIAN LOUBOUTIN

Director

Date: August 29th, 2017

# **Christian Louboutin UK Limited**

## **Independent auditor's report**

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### **TO THE MEMBERS OF CHRISTIAN LOUBOUTIN UK LIMITED**

We have audited the financial statements of Christian Louboutin UK Limited for the year ended 31 August 2016 which comprise the statement of comprehensive income, the balance sheet, the statement for changes in equity, the statement of cash flows and the related notes. 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 auditors**

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 31 August 2016 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# Christian Louboutin UK Limited

## Independent auditor's report (*continued*)

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### 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, 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 explanation we require for our audit.

BDO LLP

Thomas Harries (*senior statutory auditor*)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom

Date 7 September 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Christian Louboutin UK Limited

## Statement of comprehensive income for the year ended 31 August 2016

	Note	2016 £	2015 £
<b>Turnover</b>	3	<b>52,539,522</b>	44,253,812
Cost of sales		<b>(27,587,581)</b>	(22,857,919)
<b>Gross profit</b>		<b>24,951,941</b>	21,395,893
Administrative expenses		<b>(19,192,264)</b>	(15,973,208)
Other operating income		<b>11,862</b>	107,734
<b>Operating profit</b>	6	<b>5,771,539</b>	5,530,419
Interest receivable and similar income		<b>30</b>	45
Interest payable and similar charges		<b>-</b>	(57)
<b>Profit on ordinary activities before taxation</b>		<b>5,771,569</b>	5,530,407
Taxation on profit on ordinary activities	7	<b>(1,188,286)</b>	(1,186,372)
<b>Profit and total comprehensive income for the financial year</b>		<b>4,583,283</b>	4,344,035

All amounts relate to continuing activities.

The notes on pages 10 to 18 form part of these financial statements.

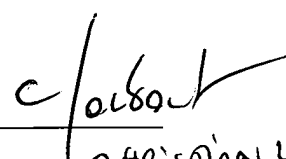


# Christian Louboutin UK Limited

## Balance sheet at 31 August 2016

<b>Company number 1913634</b>	<b>Note</b>	<b>2016 £</b>	<b>2016 £</b>	<b>2015 £</b>	<b>2015 £</b>
<b>Fixed assets</b>					
Tangible fixed assets	9		2,135,120		2,778,825
<b>Current assets</b>					
Stocks	10	12,902,717		9,392,086	
Debtors	11	4,446,951		3,764,998	
Cash at bank and in hand		1,023,826		4,715,984	
		18,373,494		17,873,068	
<b>Creditors: amounts falling due within one year</b>	12	(5,350,330)		(6,576,892)	
<b>Net current assets</b>			13,023,164		11,296,176
<b>Total assets less current liabilities</b>			15,158,284		14,075,001
<b>Provisions</b>	14		(13,941)		(13,941)
<b>Net assets</b>			15,144,343		14,061,060
<b>Capital and reserves</b>					
Called up share capital	15		100,000		100,000
Profit and loss account			15,044,343		13,961,060
<b>Shareholders' funds</b>			15,144,343		14,061,060

The financial statements were approved by the Board of Directors and authorised for issue on **August 29, 2017**

  
 Name CHRISTIAN LOUBOUTIN  
 Director

The notes on pages 10 to 18 form part of these financial statements.

# Christian Louboutin UK Limited

## Statement of changes in equity for the year ended 31 August 2016

	Share capital £	Profit and loss account £	Total equity £
<b>1 September 2015</b>	100,000	13,961,060	14,061,060
Profit for the year	-	4,583,283	4,583,283
<b>Total comprehensive income for the year</b>	-	4,583,283	4,583,283
<b>Contributions by and distributions to owners</b>			
Dividends	-	(3,500,000)	(3,500,000)
<b>Total contributions by and distributions to owners</b>	-	(3,500,000)	(3,500,000)
<b>31 August 2016</b>	100,000	15,044,343	15,144,343

	Share capital £	Profit and loss account £	Total equity £
<b>1 September 2014</b>	100,000	11,117,025	11,217,025
Profit for the year	-	4,344,035	4,344,035
<b>Total comprehensive income for the year</b>	-	4,344,035	4,344,035
<b>Contributions by and distributions to owners</b>			
Dividends	-	(1,500,000)	(1,500,000)
<b>Total contributions by and distributions to owners</b>	-	(1,500,000)	(1,500,000)
<b>31 August 2015</b>	100,000	13,961,060	14,061,060

The notes on pages 10 to 18 form part of these financial statements.

# Christian Louboutin UK Limited

## Statement of cash flows for the year ended 31 August 2016

	Note	2016 £	2015 £
<b>Profit for the financial year</b>		<b>4,583,283</b>	4,344,035
Adjustments for:			
Depreciation of fixed assets	9	1,255,045	988,601
Net interest (receivable)/payable		(30)	12
Taxation expense	7	1,188,286	1,186,372
(Increase) in trade and other debtors		(681,953)	(541,444)
(Increase)/decrease in stocks		(3,510,631)	1,305,062
Decrease in trade and other creditors		(1,223,856)	(722,062)
Loss on disposal of fixed assets		479	-
<b>Cash from operations</b>		<b>1,610,623</b>	6,560,576
Interest paid		-	(57)
Taxation paid		(1,190,992)	(1,032,177)
<b>Net cash generated from operating activities</b>		<b>419,631</b>	5,528,342
<b>Cash flows from investing activities</b>			
Purchases of tangible fixed assets		(611,819)	(897,515)
Interest received		30	45
<b>Net cash used in investing activities</b>		<b>(611,789)</b>	(897,470)
<b>Cash flows from financing activities</b>			
Equity dividends paid	8	(3,500,000)	(1,500,000)
<b>Net cash used in financing activities</b>		<b>(3,500,000)</b>	(1,500,000)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(3,692,158)</b>	3,130,872
Cash and cash equivalents at beginning of year		4,715,056	1,584,184
<b>Cash and cash equivalents at end of year</b>		<b>1,022,898</b>	4,715,056
<b>Cash and cash equivalents comprise:</b>			
Cash at bank and in hand		1,023,826	4,715,984
Bank overdrafts		(928)	(928)
		<b>1,022,898</b>	4,715,056

The notes on pages 10 to 18 form part of these financial statements.

# Christian Louboutin UK Limited

## Notes forming part of the financial statements for the year ended 31 August 2016

### 1 Accounting policies

Christian Louboutin UK Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

These financial statements are the first financial statements prepared under FRS 102 and information on the impact of first-time adoption of FRS 102 is given in note 19.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies. Details of these judgements are provided in note 2.

The following principal accounting policies have been applied:

#### *Turnover*

Turnover represents sales at invoiced amounts less value added tax and discounts. Sales of goods are recognised when goods are delivered and title passes.

#### *Tangible fixed assets*

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

#### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets over their expected useful lives. It is calculated on the following basis:

Leasehold buildings	-	7 to 10 years straight line
Fixtures, fittings and equipment	-	3 years straight line
Plant and machinery	-	3 years straight line

#### *Impairment of fixed assets*

The need for any fixed asset write down is assessed by comparison of the carrying value of the assets against the higher of realisable value and value in use.

#### *Foreign currency*

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

#### *Stocks*

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less costs of disposal.

# Christian Louboutin UK Limited

## Notes forming part of the financial statements for the year ended 31 August 2016 (*continued*)

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### 1 Accounting policies (*continued*)

#### *Financial assets*

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

#### *Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

#### *Current and deferred taxation*

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### *Leased assets*

The company has no assets which are financed by leases that give rights approximating to ownership ('finance leases').

As such, all leases are treated as operating leases. The annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

The benefits of lease incentives received on entering into a new lease are spread over the lease term.

#### *Cash and cash equivalents*

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

# Christian Louboutin UK Limited

## Notes forming part of the financial statements for the year ended 31 August 2016 (continued)

### 1 Accounting policies (continued)

#### *Holiday pay accrual*

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

#### *Dividends*

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

#### *Pension costs*

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they are paid and relate to. The assets of the scheme are held separately in an independently administered fund.

### 2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- *Tangible fixed assets*  
Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- *Stock Provisioning*  
The company sells luxury goods and is subject to seasonal fashion trends and changing consumer demands. As a result, it is necessary to consider the recoverability of the cost of stock and the associated provisioning required whilst also protecting the brand image. When calculating the provision, management applies assumptions around age and saleability of styles.
- *Depreciation*  
Tangible fixed assets are depreciated over their useful lives. The actual lives of the assets are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programs are taken into account.

### 3 Turnover

Turnover is wholly attributable to the principal activity of the company and is analysed by market below:

	2016 £	2015 £
United Kingdom	52,539,522	44,253,812

# Christian Louboutin UK Limited

Notes forming part of the financial statements  
for the year ended 31 August 2016 (continued)

## 4 Employees

	2016 £	2015 £
Staff costs (including directors) consist of:		
Wages and salaries	4,663,350	4,264,877
Social security costs	437,101	388,884
Pension contributions	142,659	132,024
	<u>5,243,110</u>	<u>4,785,785</u>

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

	Number	Number
Shop managers	21	20
Shop assistants	84	72
Office managers	11	11
Administration	30	31
	<u>146</u>	<u>134</u>

## 5 Directors

The remuneration of Directors was borne by a fellow group company. The directors are considered to be the key management personnel of the company.

## 6 Operating profit

	2016 £	2015 £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	1,255,045	988,601
Auditors' remuneration:		
- audit services	37,500	28,500
- taxation services	6,750	-
Operating lease rentals	781,149	972,566
Loss/(gain) on foreign exchange transactions	1,015,785	(251,053)
Loss on disposal of fixed assets	479	-
	<u></u>	<u></u>

# Christian Louboutin UK Limited

Notes forming part of the financial statements  
for the year ended 31 August 2016 (continued)

## 7 Taxation on profit on ordinary activities

	2016 £	2015 £
<i>Current tax</i>		
UK Corporation tax	1,210,978	1,186,372
Adjustment in respect of prior years	(22,692)	-
	<u>1,188,286</u>	<u>1,186,372</u>
<i>Deferred tax</i>		
Origination and reversal of timing difference	-	-
	<u>-</u>	<u>-</u>
Total tax charge for the year	<u>1,188,286</u>	<u>1,186,372</u>
Profit on ordinary activities before tax	<u>5,771,569</u>	<u>5,530,407</u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20% (2015 - 20.58%)	1,154,313	1,138,158
Effects of:		
Other timing differences	(79,804)	-
Expenses not deductible for tax purposes	4,324	13,550
Adjustments in respect of prior years	(22,692)	-
Differences between capital allowances and depreciation	87,761	34,664
Adjustment to brought forward unrecognised deferred tax	44,384	-
	<u>1,188,286</u>	<u>1,186,372</u>
Total tax charge for year	<u>1,188,286</u>	<u>1,186,372</u>

## 8 Dividends

	2016 £	2015 £
Ordinary shares - dividend paid	<u>3,500,000</u>	<u>1,500,000</u>

The dividend paid on 8 June 2016 was £35 per share (2015 - £15 per share).



# Christian Louboutin UK Limited

Notes forming part of the financial statements  
for the year ended 31 August 2016 (*continued*)

## 9 Tangible fixed assets

	Leasehold buildings £	Plant and Machinery £	Fixtures fittings & equipment £	Total £
<i>Cost</i>				
At 1 September 2015	2,749,697	160,715	3,533,194	6,443,606
Additions	377,105	31,427	203,287	611,819
Disposals	-	(875)	(595,123)	(595,998)
At 31 August 2016	<b>3,126,802</b>	<b>191,267</b>	<b>3,141,358</b>	<b>6,459,427</b>
<i>Depreciation</i>				
At 1 September 2015	1,324,325	126,398	2,214,058	3,664,781
Provided for the year	343,050	21,061	890,934	1,255,045
On Disposals	-	(875)	(594,644)	(595,519)
At 31 August 2016	<b>1,667,375</b>	<b>146,584</b>	<b>2,510,348</b>	<b>4,324,307</b>
<i>Net book value</i>				
At 31 August 2016	<b>1,459,427</b>	<b>44,683</b>	<b>631,010</b>	<b>2,135,120</b>
At 31 August 2015	<b>1,425,372</b>	<b>34,317</b>	<b>1,319,136</b>	<b>2,778,825</b>

## 10 Stocks

	2016 £	2015 £
Finished goods and goods for resale	<b>12,902,717</b>	<b>9,392,086</b>

Inventories expensed during the period amounted to £25,971,293. Net impact of stock impairment during the year amounted to £588,358. There is no material difference between the replacement cost of stocks and the amounts stated above.

## 11 Debtors

	2016 £	2015 £
Trade debtors	<b>2,841,822</b>	<b>1,910,841</b>
Amount owed by parent and fellow subsidiary undertakings	<b>582,111</b>	<b>524,739</b>
Other debtors	<b>290,317</b>	<b>323,698</b>
Prepayments and accrued income	<b>732,701</b>	<b>1,005,720</b>
	<b>4,446,951</b>	<b>3,764,998</b>

Included in other debtors is an amount in respect of a rent deposit deed of £142,837 (2015 - £142,837) which is security against the company's obligations contained in a lease.

# Christian Louboutin UK Limited

Notes forming part of the financial statements  
for the year ended 31 August 2016 (continued)

## 12 Creditors: amounts falling due within one year

	2016 £	2015 £
Bank loans and overdraft	928	928
Trade creditors	839,870	405,569
Amounts owed to parent and fellow subsidiary undertakings	3,027,174	4,385,282
Corporation tax	505,029	507,735
Other taxes and social security costs	40,512	481,550
Other creditors	-	109,283
Accruals and deferred income	936,817	686,545
	<u>5,350,330</u>	<u>6,576,892</u>

## 13 Financial instruments

The company's financial instruments may be analysed as follows:

	2016 £	2015 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>4,738,076</u>	<u>7,475,262</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>4,804,789</u>	<u>5,587,607</u>

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors and amounts owed by other group companies

Financial liabilities measured at amortised cost comprise bank overdrafts, trade creditors, other creditors, accruals and amounts owed to other group companies.

Information regarding the company's exposure to and management of credit risk, liquidity risk and foreign exchange risk is included in the Directors' report.

## 14 Provisions for liabilities

### Deferred taxation

	2016 £	2015 £
Opening balance	13,941	13,941
Origination and reversal of timing differences	-	-
Other movements	-	-
	<u>13,941</u>	<u>13,941</u>
Closing balance	<u>13,941</u>	<u>13,941</u>
<b>Deferred taxation</b>		
Accelerated capital allowances	<u>13,941</u>	<u>13,941</u>

# Christian Louboutin UK Limited

Notes forming part of the financial statements  
for the year ended 31 August 2016 (continued)

## 15 Share capital and reserves

	2016 Number	Allotted, called up and fully paid 2015 Number	2016 £	2015 £
Ordinary shares of £1 each	100,000	100,000	100,000	100,000

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

Called up share capital - amounts subscribed for share capital at nominal value.

Profit and loss account - net gains and losses recognised in the statement of comprehensive income.

## 16 Ultimate parent company

The ultimate parent company and controlling company is Christian Louboutin SA, a company registered in France. The ultimate controlling party is Mr. Christian Louboutin.

## 17 Financial commitments

As at 31 August 2016, the company had total future minimum commitments under non-cancellable operating leases as set out below:

	Land and buildings 2016 £	Land and buildings 2015 £
Not later than 1 year	794,753	794,753
Later than 1 year and not later than 5 years	737,973	1,532,725
Later than 5 years	262,500	262,500
Total	1,795,226	2,589,978

Other financial commitments in relation to the company's concession partners are set out below:

	Other 2016 £	Other 2015 £
Not later than 1 year	1,132,208	750,000
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
Total	1,132,208	750,000

# **Christian Louboutin UK Limited**

## **Notes forming part of the financial statements for the year ended 31 August 2016 (continued)**

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### **18 Related party transactions**

During the year, transactions took place between the company and its parent company Christian Louboutin SAS, and its fellow subsidiary companies.

Aggregate transactions with related parties were:

Purchase of finished goods £30,840,509 (2015 - £21,586,913)

Sales of finished goods £277,678 (2015 - £445,259)

Management charge payable £575,308 (2015 - £346,655)

Administration charges payable £879 (2015 - £28,524)

Administration charges receivable £216,986 (2015 - £168,871)

Dividend paid £3,500,000 (2015 - £1,500,000)

Amounts due to related parties at the balance sheet date amounted to £3,027,174 (2015 - £4,385,282)

Amounts due from related parties at the balance sheet date amounted to £582,111 (2015 - £524,739)

### **19 First time adoption of FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS102 and have not impacted on equity profit and loss.