

Laddie Midco Limited

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

Registered number: 10192351



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DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the period ended 30 April 2017

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LADDIE MIDCO LIMITED

COMPANY INFORMATION

DIRECTORS

R Davis (Appointed 20 May 2016,
Resigned 6 June 2016)
A McClain (Appointed 20 May 2016,
Resigned 6 June 2016)
J Worden (Appointed 6 June 2016)
J Stead (Appointed 6 June 2016)

REGISTERED OFFICE

McBeath House,
310 Goswell Road,
London, EC1V 7LW

REGISTERED NUMBER

10192351

SOLICITORS

Willkie Farr & Gallagher (UK) LLP
CityPoint, 1 Ropemaker Street
London, EC2Y 9AW

AUDITORS

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

Registered No. 10192351

STRATEGIC REPORT
for the period ended 30 April 2017

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

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company operates as an intermediate parent undertaking. The company is a non-trading entity and does not employ any staff.

The company is part of a group which offers multi-channel distribution of a leading UK affordable luxury accessory brand. Its wholly owned subsidiary Radley + Co Limited manages the group's UK and international wholesale distribution with respected high street department store partners and independent retailers. Additionally, a global eCommerce platform fulfils customer purchases around the world. This company provides 40% of all external group sales.

Another subsidiary in the group, Radley Retail Limited operates 30 standalone stores combined with 42 concessions throughout UK and Ireland, which have contributed 56% of all external group sales.

Another subsidiary in the group, Radley Japan K.K (incorporated in Tokyo in June 2016), which is 90% owned by the group, trades in 21 concessions in key department stores across Japan, in 1 standalone store in Tokyo, as well as online and with wholesale partners. The company contributed 4% of all external group sales.

On 3 June 2016, £15,000,000 unsecured loan notes at £1 each were issued to various noteholders. The loan notes are listed on the international stock exchange in Guernsey. The notes accrue interest at 5% per annum with both the principal and any unpaid interest due for repayment on the earlier of 3 June 2026, or on in full or in part on an earlier date agreed by Special Resolution with the noteholders' agreement.

The company's key performance indicators during the period were as follows:

	2017 £000
Loss before tax	(15,055)
Shareholders' funds	<u>29,604,984</u>

PRINCIPAL RISKS AND UNCERTAINTIES

The company's principal financial instruments comprise debtors, creditors, group indebtedness and loan notes. The main risk associated with these financial assets and liabilities are set out below.

Credit risk

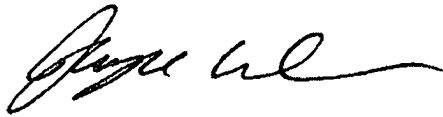
The company is exposed to credit risk on balances with group companies. Management review the financial position of the counterparty to ensure they have adequate resources to fund and service the debts to the company. The company provides against those balances as required.

STRATEGIC REPORT (continued)
for the period ended 30 April 2017

Liquidity risk

The company is part of a group which 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. The company receives interest income on its intercompany balances which it in turn uses to service its long term debt interest requirements.

On behalf of the Board



Jayne Worden
Director

Date: 31.1.18

LADDIE MIDCO LIMITED

Registered No. 10192351

DIRECTORS' REPORT for the period ended 30 April 2017

The directors present their report and financial statements for the period ended 30 April 2017. The company was incorporated on 20 May 2016.

DIRECTORS

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

R Davis (Appointed 20 May 2016, Resigned 6 June 2016)
A McClain (Appointed 20 May 2016, Resigned 6 June 2016)
J Worden (Appointed 06 June 2016)
J Stead (Appointed 06 June 2016)

RESULTS AND DIVIDENDS

The company loss for the period after taxation amounted to £150,948. The directors do not recommend a final dividend.

FUTURE DEVELOPMENTS

The Directors do not envisage a change in the company's future activities from its current role as an intermediate holding company.

POST BALANCE SHEET EVENTS

There are no post balance sheet events to report.

GOING CONCERN

The group's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its financial instruments and derivative activities, and its exposures to price, credit, liquidity and cash flow risk are described in the Strategic Report on pages 3 to 4. The group has adequate bank facilities as well as its cash balances which are available to fund its operations together with long-term and long-running contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook. After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

DISCLOSURE OF INFORMATION TO THE AUDITORS

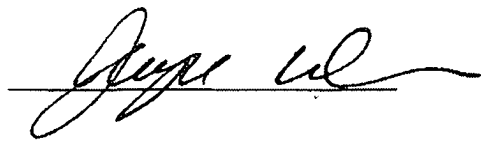
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that 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 (continued)
for the period ended 30 April 2017

AUDITORS

In accordance with s485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for appointment of Ernst & Young LLP as auditors of the company. During the period Ernst & Young LLP were appointed as auditor to the company, this was the first appointment of an external auditor by the company. The company has opted under an elective regime to dispense with the obligation to appoint auditors annually.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Jayne Worden', is written over a horizontal line.

Jayne Worden

Director

Date 31.1.18

DIRECTORS' RESPONSIBILITIES STATEMENT
for the period ended 30 April 2017

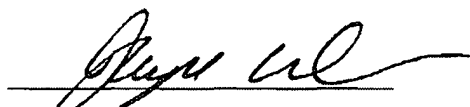
The directors are responsible for preparing Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland*. 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 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.

On behalf of the Board



Director

Date: 31.1.18

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LADDIE MIDCO LIMITED

We have audited the financial statements of Laddie Midco Limited for the period ended 30 April 2017 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LADDIE MIDCO LIMITED
(continued)

Matters on which we are required to report by exception

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

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

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

Ernst & Young LLP

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

Date: 31.1.18

STATEMENT OF COMPREHENSIVE INCOME
for the 11 month period ended 30 April 2017

	Notes	2017 £
Administrative expenses		(13,000)
Interest payable	3	(684,247)
Interest receivable		682,192
Loss before taxation		<u>(15,055)</u>
Tax on loss	6	<u>(135,893)</u>
Loss for the financial period		<u>(150,948)</u>
Total comprehensive loss		<u><u>(150,948)</u></u>

All amounts relate to continuing operations.

LADDIE MIDCO LIMITED

STATEMENT OF CHANGES IN EQUITY
for the 11 month period ended 30 April 2017

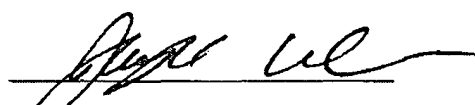
	Called up share capital	Profit and loss account	Total Equity
At incorporation 20 May 2016	-	-	-
Called up share capital	29,755,932	-	29,755,932
Loss for the period	-	(150,948)	(150,948)
At 30 April 2017	<u>29,755,932</u>	<u>(150,948)</u>	<u>29,604,984</u>

LADDIE MIDCO LIMITED

**STATEMENT OF FINANCIAL POSITION
at 30 April 2017**

	Note	2017 £
FIXED ASSETS		
Investments	7	29,755,932
CURRENT ASSETS		
Debtors	8	15,669,192
Creditors: amounts falling due within one year	9	(135,893)
NET CURRENT ASSETS		<u>15,533,299</u>
Creditors: amounts falling due after more than one year	10	(15,684,247)
NET ASSETS		<u><u>29,604,984</u></u>
CAPITAL AND RESERVES		
Called up share capital	11	29,755,932
Profit and loss account		(150,948)
Shareholder's funds		<u><u>29,604,984</u></u>

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


Jayne Worden

Director

Date: 31.1.18

NOTES TO THE FINANCIAL STATEMENTS

30 April 2017

1. STATEMENT OF COMPLIANCE

Laddie Midco Limited is a limited liability company, incorporated in United Kingdom. The registered office of the company is at McBeath House, 310 Goswell Road, London, EC1V 7LW.

The financial statements of the company were approved for issue by the Board of Directors on 25 January 2018. The financial statements have been prepared in accordance with FRS 102.

2. ACCOUNTING POLICIES

Basis of preparation and accounting convention

These financial statements have been prepared under the historical cost convention and in accordance with FRS 102. The company's financial statements are presented in sterling (£) and rounded to the nearest £. The financial statements are prepared on a going concern basis.

The group's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its financial instruments and derivative activities, and its exposures to price, credit, liquidity and cash flow risk are described in the Strategic Report on pages 3 to 4. The group has adequate bank facilities as well as its cash balances which are available to fund its operations together with long-term and long-running contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook. After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

The principal accounting policies adopted by the company are set out within this note.

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

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

Group financial statements

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

NOTES TO THE FINANCIAL STATEMENTS

30 April 2017 (continued)

Judgements and key sources of estimation uncertainty

In relation to impairment the directors have made a critical judgement in the process of applying the company's accounting policies. There are no key sources of estimation uncertainty involved in preparation of the financial statements.

JUDGEMENT

Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the company performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model.

Taxation

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

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

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

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

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

Debtors and creditors

A financial asset or liability is recognised when the company becomes a party to the contractual provisions of the instrument. When a financial asset or liability is recognised initially, it is measured at the transaction price, including transaction costs. It is subsequently measured at amortised cost using the effective interest method. Financial assets measured at amortised cost are assessed for impairment at the end of each reporting period, taking account of whether there is objective evidence of impairment. If there is, an impairment is recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

30 April 2017 (Continued)

Loan notes

The fair values of the loan notes and the associated interest payable which are measured at fair value are determined based on the amounts that are repayable. The change attributable to changes in credit risk in relation to the loan notes and the associated interest payable is not material.

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 the term of the debt at a constant rate on the carrying amount.

Investments

Investments held as fixed assets are shown at cost less provision for impairment.

3. INTEREST

Interest payable is accrued on loan notes at 5% per annum.

4. STAFF COSTS

The company has no employees.

5. DIRECTORS REMUNERATION

No remuneration was paid out to Directors of the company as they provided negligible qualifying services to the company. Directors are paid out of the parent entity and an apportionment of salary was not deemed practical.

6. TAXATION

i) *Tax on loss on ordinary activities*

The tax charge is made up as follows:

	2017 £
<i>Current tax:</i>	
UK Corporation tax at 19.92%	135,893
	<hr/>
Tax on loss	<hr/> 135,893 <hr/>

NOTES TO THE FINANCIAL STATEMENTS

30 April 2017 (Continued)

Taxation continued

ii) *Factors affecting total tax charge for the period*

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 19.92%. The differences are explained below:

	2017 £
Loss before tax	(15,055)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.92 %	(2,999)
Effects of:	
Disallowed expenses	138,892
Total tax charge for the period	135,893

7. INVESTMENTS

	<i>Investments in subsidiary companies</i> £
At incorporation at 20 May 2016	-
Additions in the period	29,755,932
Cost at 30 April 2017	29,755,932

Subsidiary undertakings

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

NOTES TO THE FINANCIAL STATEMENTS
30 April 2017 (Continued)

Investments continued

<i>Name of company</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
Laddie Bidco Limited	Ordinary Shares	100%	Intermediate parent undertaking
Truly SPV1 Limited*	Ordinary Shares	100%	Non-Trading
Radley SPV2 Limited*	Ordinary shares	100%	Non-Trading
Deeply SPV3 Limited*	Ordinary shares	100%	Non-Trading
Milo (SPV 4) Limited*	Ordinary shares	100%	Non-Trading
Radley Group Limited*	Ordinary shares	100%	Dormant
Radley Finance Limited*	Ordinary shares	100%	Dormant
Radley Acquisitions Limited*	Ordinary shares	100%	Dormant
Tula Group Limited*	Ordinary shares	100%	Dormant
Radley + Co Limited*	Ordinary shares	100%	Design and wholesale of bags and accessories
Radley Retail Limited*	Ordinary shares	100%	Design and retail of bags and accessories
Radley Japan K.K.*	Ordinary Shares	90%	Retail of bags and accessories
Radley Hong Kong Limited*	Ordinary Shares	100%	Retail of bags and accessories
Hidesign Accessories Limited*	Ordinary shares	100%	Dormant
Tula Bags Limited*	Ordinary shares	100%	Dormant
Lockey Bros. Limited*	Ordinary shares	100%	Dormant

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

* Shares held by a subsidiary undertaking.

The registered address of all subsidiaries except Radley Japan K.K and Radley Hong Limited is:

McBeath House
310 Goswell Road
London
EC1V 7LW

NOTES TO THE FINANCIAL STATEMENTS
30 April 2017 (Continued)

Investments continued

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

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

8. DEBTORS (amounts falling due within one year)

2017
£

Amounts owed by group undertakings

15,669,192

Debtors with no stated interest rate are receivable within one year are recorded at transaction price.

9. CREDITORS (amounts falling due within one year)

2017
£

Corporation tax

(135,893)

NOTES TO THE FINANCIAL STATEMENTS

30 April 2017 (Continued)

10. CREDITORS (amounts falling due after one year)

	2017 £
Loan notes	<u>15,684,247</u>

On 3 June 2016 £15,000,000 unsecured loan notes at £1 each were issued to various noteholders. The loan notes are listed on the international stock exchange in Guernsey. The notes accrue interest at 5% per annum with both the principal and any unpaid interest due for repayment on the earlier of 3 June 2026, or on in full or in part on an earlier date agreed by Special Resolution with the noteholders' agreement. At the period end interest of £684,247 accrued on the loan notes.

11. ALLOTTED AND ISSUED SHARE CAPITAL

	No	2017 £
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	29,755,932	<u>29,755,932</u>

12. RESERVES

Equity share capital

The balance classified as equity share capital represents the issue of £1 ordinary shares.

Profit and loss account

All other net gains and losses and transactions.

13. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption granted by FRS102 section 33 "Related party disclosures" not to disclose related party transactions with other wholly owned group companies.

14. EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period.

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's financial statements are consolidated in the ultimate parent entity Laddie Topco Limited. The consolidated financial statements of Laddie Topco Limited are available from McBeath House, 310 Goswell Road, London, EC1V 7LW. The ultimate controlling party is Bregal Freshstream LP.