

**Report of the Directors and
Financial Statements for the Year Ended 31 December 2012
for
CROCS UK LIMITED**

WEDNESDAY



A15 *A2JKQJEG* 23/10/2013 #296
COMPANIES HOUSE

CROCS UK LIMITED

Contents of the Financial Statements for the year ended 31 December 2012

	Page
Company Information	1
Report of the Directors	2 to 3
Report of the Independent Auditors	4 to 5
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8 to 12
Trading and Profit and Loss Account	13 to 14

)

)

CROCS UK LIMITED

Company Information
for the year ended 31 December 2012

DIRECTORS

Crocs Europe BV
V A Gunn
A P Holloway

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

CROCS UK LIMITED

Report of the Directors for the year ended 31 December 2012

The directors present their report with the financial statements of the company for the year ended 31 December 2012

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the retail of footwear and clothing

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2012 to the date of this report

Crocs Europe BV
V A Gunn

Other changes in directors holding office are as follows

A P Holloway - appointed 11 June 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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

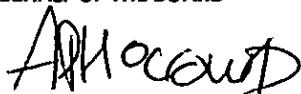
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

CROCS UK LIMITED

**Report of the Directors
for the year ended 31 December 2012**

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'A P Holloway', written over the printed name.

A P Holloway - Director

17 October 2013

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

We have audited the financial statements of Crocs UK Limited for the year ended 31 December 2012 on pages six to twelve. 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 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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 Report of the Directors to identify material inconsistencies with the audited financial statements. 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 31 December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Directors



Elizabeth Claxton FCCA ACA (Senior Statutory Auditor)
for and on behalf of Rostrons
Chartered Accountants
Statutory Auditors
Yare House
62-64 Thorpe Road
Norwich
Norfolk
NR1 1RY

17 October 2013

CROCS UK LIMITED**Profit and Loss Account
for the year ended 31 December 2012**

	Notes	31/12/12 £	31/12/11 £
TURNOVER		6,081,427	3,704,204
Cost of sales		<u>1,582,433</u>	<u>818,296</u>
GROSS PROFIT		4,498,994	2,885,908
Administrative expenses		<u>5,024,715</u>	<u>2,869,629</u>
OPERATING (LOSS)/PROFIT	2	(525,721)	16,279
Interest payable and similar charges		<u>124</u>	<u>-</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(525,845)	16,279
Tax on (loss)/profit on ordinary activities	3	<u>122,301</u>	<u>19,860</u>
LOSS FOR THE FINANCIAL YEAR		<u>(648,146)</u>	<u>(3,581)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current year or previous year

The notes form part of these financial statements

CROCS UK LIMITED (REGISTERED NUMBER: 06032591)**Balance Sheet
31 December 2012**

	Notes	31/12/12 £	31/12/11 £
FIXED ASSETS			
Tangible assets	4	2,357,604	614,085
CURRENT ASSETS			
Stocks		673,473	348,372
Debtors	5	1,629,994	873,738
Cash at bank		916,016	757,256
		<u>3,219,483</u>	<u>1,979,366</u>
CREDITORS			
Amounts falling due within one year	6	6,770,218	3,138,436
NET CURRENT LIABILITIES		<u>(3,550,735)</u>	<u>(1,159,070)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(1,193,131)</u>	<u>(544,985)</u>
CAPITAL AND RESERVES			
Called up share capital	8	1	1
Profit and loss account	9	(1,193,132)	(544,986)
SHAREHOLDERS' FUNDS	12	<u>(1,193,131)</u>	<u>(544,985)</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements were approved by the Board of Directors on 17 October 2013 and were signed on its behalf by


A P Holloway - Director

The notes form part of these financial statements

**Notes to the Financial Statements
for the year ended 31 December 2012**

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The accounts have been prepared on a going concern basis. During the year the company made a loss of £648,146 and at 31 December 2012 had a balance sheet deficit of £1,193,131.

The company's ability to continue trading is dependent upon the ongoing financial support of its immediate parent Crocs Europe BV.

The directors of Crocs UK Limited, having obtained the support of the directors of Crocs Europe BV and having reviewed the overall group position, consider this financial support to be adequate to enable them to continue to adopt the going concern basis in preparing the financial statements.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Exemption from preparing cash flow statement

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

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 and 10% straight line

Stocks

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

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

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Incentives received to enter into land and building leases are recognised as a reduction in rental expense. The benefit is allocated over the shorter of the lease term, or the period to the next review, on a straight line basis.

Lease premiums paid are allocated to the profit and loss account over the lease term on a straight line basis.

CROCS UK LIMITED**Notes to the Financial Statements - continued
for the year ended 31 December 2012****2 OPERATING (LOSS)/PROFIT**

The operating loss (2011 - operating profit) is stated after charging

	31/12/12	31/12/11
	£	£
Hire of plant and machinery	66,120	38,430
Other operating leases	1,410,720	767,070
Depreciation - owned assets	392,853	176,841
Auditors' remuneration	8,500	8,500
Foreign exchange differences	1,793	1,409
	<u> </u>	<u> </u>
Directors' remuneration	-	-
	<u> </u>	<u> </u>

3 TAXATION**Analysis of the tax charge**

The tax charge on the loss on ordinary activities for the year was as follows

	31/12/12	31/12/11
	£	£
Deferred tax	122,301	19,860
	<u> </u>	<u> </u>
Tax on (loss)/profit on ordinary activities	122,301	19,860
	<u> </u>	<u> </u>

Factors affecting the tax charge

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

	31/12/12	31/12/11
	£	£
(Loss)/profit on ordinary activities before tax	(525,845)	16,279
	<u> </u>	<u> </u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24% (2011 - 26%)	(126,203)	4,233
Effects of		
Expenses not deductible for tax purposes	24,751	1,168
Capital allowances in excess of depreciation	(24,772)	(16,296)
Deferred tax asset not recognised	126,224	-
Tax losses carried forward	-	10,895
	<u> </u>	<u> </u>
Current tax charge	-	-
	<u> </u>	<u> </u>

Notes to the Financial Statements - continued
for the year ended 31 December 2012

3 TAXATION - continued

A deferred tax asset of £220,000 has not been recognised at 31 December 2012 as it is uncertain whether there will be sufficient taxable profits in the future against which the underlying timing differences can be deducted. The asset would be recovered if the company made sufficient trading profits in the future.

The deferred tax charged/(credited) in the profit and loss account has arisen as follows

	31/12/12 £	31/12/11 £
Effect of adjustments to the estimated recoverable amount of deferred tax arising in previous periods	127,965	-
Origination and reversal of timing differences	(5,664)	9,042
Changes in tax rates	-	10,818
	<u>122,301</u>	<u>19,860</u>
Deferred tax movement	<u>122,301</u>	<u>19,860</u>

The deferred tax asset in the balance sheet is in respect of the following

	31/12/12 £	31/12/11 £
Fixed asset timing differences	-	(5,664)
Unutilised tax losses	-	127,965
	<u>-</u>	<u>122,301</u>

4 TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 January 2012	1,107,625
Additions	2,145,645
Disposals	(9,726)
	<u>3,243,544</u>
At 31 December 2012	<u>3,243,544</u>
DEPRECIATION	
At 1 January 2012	493,540
Charge for year	392,853
Eliminated on disposal	(453)
	<u>885,940</u>
At 31 December 2012	<u>885,940</u>
NET BOOK VALUE	
At 31 December 2012	<u>2,357,604</u>
At 31 December 2011	<u>614,085</u>

CROCS UK LIMITED

Notes to the Financial Statements - continued for the year ended 31 December 2012

5 DEBTORS

	31/12/12 £	31/12/11 £
Amounts falling due within one year		
Other debtors	<u>984,498</u>	<u>236,702</u>
Amounts falling due after more than one year		
Other debtors	<u>645,496</u>	<u>637,036</u>
Aggregate amounts	<u>1,629,994</u>	<u>873,738</u>

Included in debtors due in more than one year is a deferred tax asset of £nil (31/12/11 - £122,301)

6 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/12 £	31/12/11 £
Trade creditors	586,952	235,161
Amounts owed to group undertakings	4,881,864	2,085,524
Taxation and social security	-	90,151
Other creditors	<u>1,301,402</u>	<u>727,600</u>
	<u>6,770,218</u>	<u>3,138,436</u>

7 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	Land and buildings		Other operating leases	
	31/12/12 £	31/12/11 £	31/12/12 £	31/12/11 £
Expiring				
Between one and five years	539,000	250,000	49,468	36,310
In more than five years	<u>1,444,667</u>	<u>723,000</u>	-	-
	<u>1,983,667</u>	<u>973,000</u>	<u>49,468</u>	<u>36,310</u>

8 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value	31/12/12 £	31/12/11 £
1	Ordinary	£1	<u>1</u>	<u>1</u>

CROCS UK LIMITED

Notes to the Financial Statements - continued for the year ended 31 December 2012

9 RESERVES

	Profit and loss account £
At 1 January 2012	(544,986)
Deficit for the year	(648,146)
At 31 December 2012	<u>(1,193,132)</u>

10 RELATED PARTY DISCLOSURES

The company, being a wholly owned subsidiary undertaking, has taken advantage of the exemption available under Financial Reporting Standard Number 8 from disclosing transactions with group companies, on the basis that consolidated group financial statements are publicly available

11 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 can be obtained from the registered office

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31/12/12 £	31/12/11 £
Loss for the financial year	(648,146)	(3,581)
Net reduction of shareholders' funds	(648,146)	(3,581)
Opening shareholders' funds	(544,985)	(541,404)
Closing shareholders' funds	<u>(1,193,131)</u>	<u>(544,985)</u>