For Immediate Release **12 June 2014**

boohoo.com plc - Results for the year to 28 February 2014 and trading update for the three months to 31 May 2014

"The Global Fashion Leader for a Social Generation"

£'000	**28 February 2014**	28 February 2013	Change
Revenue	**109,791**	67,282	*63%*
Gross profit	**64,912**	36,663	*77%*
Gross margin	***59.1%***	*54.5%*	*460bps*
Operating profit	**10,821**	3,286	*229%*
Profit before tax	**10,737**	3,184	*237%*
Pro forma gross profit (1)	**68,900**	43,269	*59%*
Pro forma gross margin (1)	***62.8%***	*64.3%*	*(150bps)*
Pro forma EBITDA (1)	**16,007**	8,602	*86%*

(1): Adjustment to reflect direct sourcing by boohoo.com plc, not via (now discontinued) related party companies;
EBITDA is pre-exceptional costs of £0.4m

Highlights for the year to 28 February 2014

- Revenue up 63% (international revenue 35% of total)
- Gross margin 63% for the year
- Pro forma EBITDA of £16.0m, ahead of expectations
- 2.3m active customers(2), up 54% on prior year
- Significant infrastructure investment in the warehouse and IT
- Another year of international expansion with our first foreign language website successfully launched in France
- 47% of traffic from mobile devices, compared to 29% in the prior year
- Extension of our range with successful launch of boohooMan

Highlights for the three months to 31 May 2014 (unaudited)

- Revenue of £30.7m up 24% (28% CER(3)) on top of 128% for Q1 FY 2014
- Acceleration of growth through the quarter and trading in line with expectations for the full year
- UK revenue up 44%, Rest of Europe up 36% (41% CER), Rest of the World down 20% (-7% CER) driven by Australia and currency headwinds
- Gross margins maintained at 63%
- Strong balance sheet with net cash of £53m
- Second foreign language website launched in Spanish, with further currencies and languages planned

(2): Active customers defined as having shopped in the last year
(3): CER designates Constant Exchange Rate translation of foreign currency revenue

Mahmud Kamani and Carol Kane, joint CEOs, commented:

"The past year has been an exciting one, and we are very proud of the growth we have seen in both our UK and International markets.

The launch of new product categories, investment in our warehouse and IT infrastructure, and of course the investment and development of our teams all support our future growth. The Company is well positioned to benefit from its transformation to becoming a PLC after its successful IPO.

The management team is focused on further growth and since the year end we have accelerated that growth through an increase in marketing spend and activity to increase conversion in line with our revenue plans for the full year.

We continue to trade in line with expectations for the full year and anticipate revenue growth to accelerate as comparatives become less demanding and as we increase our marketing spend in line with our targets.

Looking ahead we are excited about our future growth prospects, delivering new foreign language websites and introducing additional currency options, as well as further improving our mobile website and customer experience."

Investor and Analyst Meeting

An analysts' presentation will be held at 8.30am today at the offices of Buchanan, 107 Cheapside, London, EC2V 6DN.

For further information:

boohoo.com plc	c/o Buchanan Tel: +44 (0)20 7466 5000
Mahmud Kamani, Joint Chief Executive	
Carol Kane, Joint Chief Executive	
Neil Catto, Chief Financial Officer	
Benjamin Robertson, Investor Relations	ben.robertson@boohoo.com Tel: +44 77 6851 1056
Buchanan - Financial PR adviser	Tel: +44 (0)20 7466 5000
Richard Oldworth	boohoo@buchanan.uk.com
Helen Chan	
Gabriella Clinkard	
Zeus Capital - Nominated adviser and broker	
Nick Cowles	Tel: +44 (0)161 831 1512
Andrew Jones	
John Goold	Tel: +44 (0)20 7533 7727

About boohoo.com

"The Global Fashion Leader for a Social Generation"

boohoo.com is one of the UK's largest pure-play online, own brand fashion retailers. The Company designs, sources, markets and sells own brand clothing, shoes and accessories through the www.boohoo.com website to a core market of 14-35 year old consumers in the UK and globally.

boohoo.com is focused on selling the latest on-trend fashions across a range of aspirational, but value orientated, boohoo branded products. Founded in 2006, boohoo.com has grown rapidly, developing a brand identity and an international online proposition for consumers, and now has over 2.3 million active customers.

www.boohoo.com
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boohoo.com plc ("the Company")
The Global Fashion Leader for a Social Generation

Preliminary Results for the year ended 28 February 2014

Business Review

We have achieved record revenue of £110m, up 63% for the year ended February 2014. Our largest market is the UK, where revenue for the year grew by 60%. Revenue in the rest of Europe grew by 78% and rest of the world by 65%. In total our international markets counted for 35% of revenues. A slowdown in marketing expenditure in the last quarter of the year enabled us to accelerate investment in IT and warehouse infrastructure to support future growth. Pro forma EBITDA for the year was ahead of expectations at £16.0m.

Fashion

We carry a range of around 9,000 styles for the traditional seasons of spring/summer and autumn/winter. Dresses represented over 30% of the product range. The main range dresses are priced between £12 and £25 and are developed to be both high fashion and low cost. Style Steals are a basics range with an entry price point of £3. The Boutique Collection is a higher price point offering to a slightly older age group with more disposable income and has generated significant PR interest. This range grew its sales by 170% during the year.

Our range of swimwear performed well, with sales increasing by 454% over the previous year. Knitwear was also highly successful and grew by 118%. Fashion playsuits, in particular, were also very popular and sales rose by 157%.

boohooMan was introduced in autumn 2013 and comprises a mix of high fashion and style steals. Marketing activity commenced in February 2014 on TV and billboards to build momentum for the new ranges that are expected to perform well after a promising start. Menswear grew by 117% over the previous year.

Our plus size range, boohoo plus, introduced earlier in 2014 was very well received and we will be expanding the product offering to satisfy demand from this segment. We have plans to offer a petite range later this year.

Marketing

Marketing activity is performed through a variety of media including: TV advertising; billboards; catalogues; social media and via the websites. Hundreds of products are added to the website each week through our on-site photography and art studio and displayed by gallery photos and catwalk videos. The speed and agility of the Group enables it to be first on the market with the latest, on-trend styles and fashion.

This summer has seen us roll out our biggest ever marketing campaign "#experienceeverything". Split into a series of three different creatives, the messaging is being pushed out through TV advertising across our key markets. The creative is also being utilised in above the line advertising on the underground, digital display, banners and video, blogger outreach, direct mail and on the very first day of launch the campaign was trending on twitter.

This autumn/winter we are working with international blogger Nadia Aboulhosn on the launch of an exclusive plus size collection, building on the successful launch earlier this year.

Historically we have seen a strong correlation between marketing spend and sales. Marketing expenditure for the year to February 2014 was 14.0% of revenue, after a significant reduction in the last quarter to 12.4% to allow for investment in infrastructure to cater for rapidly increasing demand. Growth rates for the last quarter of the year were somewhat lower than we would have achieved with a higher marketing spend.

Customer experience

We continue to work on increasing the personalisation of the website to include products, promotions and menus tailored to the individual's preferences and buying history. Customers receive a pro-active offer of support and promotional incentives when they do not complete orders and feedback is requested to help us maintain the highest levels of customer service.

Additional delivery options are being developed including Sunday delivery, a 10pm cut-off for next day delivery, express service to Europe and other countries, improved transit times for foreign deliveries and more returns options for customers, including alternative collection and return points. We also plan to add text messaging to enable delivery point and time to be amended by the customer during transit.

Technology

New foreign language websites have been launched on our in-house developed platform. This will enable us to launch additional foreign language websites based on the same template with appropriate localisation and translation.

A new payment gateway incorporating additional payment options will be available shortly, adding additional Scandinavian currency payments and payment by Sofort and Ideal cards in Europe.

boohoo.com continues to be able to price differently in any country or currency.

Growth in mobile continues with mobile traffic representing 47% of total visitors for the year, compared to 30% in the prior year. We are currently developing an updated mobile look and feel which will be live shortly. A more responsive mobile website is planned for later in the year on both in house and third party hosted platforms.

International expansion

International sales grew strongly in the year and represented 35% of total revenue. The launch of our first foreign language website in France in November 2013 has led to increased traffic, conversion and sales. Revenue growth since launch of the French language website has been 90%. A Spanish foreign language website went live in May 2014 and other foreign language websites are planned for later in the year with dedicated marketing campaigns. We are also adding more currencies and payment methods to grow revenues in other European countries.

The Australian market has faced significant currency headwinds through the year to February 2014 with growth slowing from a very strong performance in the first half last year.

The US market grew strongly during the year, trebling in size and remains a potential market for much greater investment in the future. A local office in New York is planned and during a recent visit, management have identified office space and are beginning to build a local team to help execute on the significant growth opportunities in that market.

Further international expansion is planned this coming year through adding currencies for Scandinavia as well as launching additional local language websites in a number of other European markets.

Warehouse

Investment in the warehouse was accelerated to ensure our ability to deliver on future growth is not capacity constrained. The construction of mezzanine floors within the existing warehouse has increased capacity to support gross annual sales of £350m. An extension to the existing site has received planning permission and is scheduled for completion by the end of the current financial year resulting in capacity to support £500m of gross sales. The 110,000 square foot extension has multiple floors and will add 670,000 square feet of storage space, enough to store 8 million units, more than four times the present capacity.

A new warehouse management system is in the advanced stages of implementation following a £1.5m investment programme. The system will improve efficiency through optimisation of the pickers' routes using Wi-Fi arm mounted units, improving order management and stock control.

The warehouse management team has been strengthened with the addition of three senior management appointments and a number of technical specialists in finance and stock control.

People

We have an excellent opportunity as a public company to hire first rate talent to help build boohoo.com for the long term. Over the last year key hires have been made including an IT director, logistics director, buying director, head of garment technology, head of financial planning and head of financial reporting.

As part of the IPO, we now have an even more experienced board providing insightful input into building boohoo.com for the future.

Trading operations

Revenue

Year ended 28 February	**2014**	2013 (restated)[1]	**Growth**
	£000	£000	**%**
UK	**70,992**	44,326	**60%**
Rest of Europe	**13,058**	7,349	**78%**
Rest of World	**25,741**	15,607	**65%**
	109,791	67,282	**63%**

(1) The geographic split of revenue in 2013 has been restated in respect of certain European countries that were in rest of world and for a more accurate regional allocation of returns provisions. Further detail is given in appendix 1.

Revenue growth was broad-based across all territories, with UK growing by 60%, rest of Europe by 78% and rest of world by 65%. Following the introduction of the French language website in November 2013, revenue in France continues to grow strongly. The USA market also grew strongly, with turnover trebling over last year, and remains a key market for much greater opportunities in the future. In Australia, sales grew strongly, although growth slowed towards the end of the year due largely due to currency headwinds.

KPIs

Year ended 28 February	**2014**	2013	**Growth**
			%
Active customers[1]	**2.3 million**	1.5 million	**54%**
Number of orders	**4.2 million**	2.5 million	**71%**
Conversion rate [2]	**6.9%**	6.0%	**15%**
Average order value [3]	**£37.48**	£39.02	**-4%**
Number of items per basket	**2.38**	2.18	**9%**

(1) Defined as having shopped in the last year
(2) Defined as the percentage of monthly unique visitors to the site making a purchase
(3) Calculated as gross sales including sales tax divided by the number of orders

We have continued to grow our business strongly, attracting new customers and retaining existing ones through our quality product offerings and focus on customer service. Conversion rates have increased during the year to 6.9%. Average order value has decreased marginally whilst the number of items per basket has increased.

Consolidated statement of comprehensive income

Year ended 28 February	Actual			Pro forma		
	2014	2013	**Growth**	**2014**	2013	**Growth**
	£000	£000		**£000**	£000	
Revenue	**109,791**	67,282	**63%**	**109,791**	67,282	**63%**
Cost of sales	**(44,879)**	(30,619)	**47%**	**(40,891)**	(24,013)	**70%**
Gross profit	**64,912**	36,663	**77%**	**68,900**	43,269	**59%**
Gross margin	***59.1%***	*54.5%*		***62.8%***	*64.3%*	
Distribution costs	**(24,290)**	(13,613)		**(24,290)**	(13,678)	
Administrative expenses	**(30,289)**	(19,764)		**(30,445)**	(21,557)	
Other income	**488**	-		**488**	-	
Operating profit	**10,821**	3,286	**229%**	**14,653**	8,034	**82%**
Finance expenses	**(84)**	(102)		**(84)**	(102)	
Profit before tax	**10,737**	3,184	**237%**	**14,569**	7,932	**84%**
EBITDA	**12,175**	3,854	**216%**	**16,007**	8,602	**86%**
Calculation of EBITDA						
Operating profit	**10,821**	3,286		**14,653**	8,034	
Depr'n and amort'n	**979**	568		**979**	568	
Exceptional items(1)	**375**	-		**375**	-	
EBITDA	**12,175**	3,854	**216%**	**16,007**	8,602	**86%**

(1) Consist of capital reorganisation fees included in administrative expenses

Reported gross profit margin rose from 54.5% to 59.1% due to the increasing proportion of inventories sourced by boohoo.com direct from suppliers.

Distribution costs and administrative expenses have increased as the business has expanded and we have continued to invest in improved and more efficient systems and in talented people. Cost control remains uppermost in our management philosophy and is tightly managed throughout the business.

The exceptional items of £375,000 in 2014, included in administrative expenses, related to capital reorganisation fees incurred prior to the flotation of the Company in March 2014.

EBITDA increased by 216% from £3.9m to £12.2m on an actuals basis and from £8.6m to £16.0m on a pro forma basis.

Statement of financial position

Year ended 28 February	**2014**	2013
	£000	£000
Assets		
Non-current assets		
Intangible assets	**3,052**	626
Property, plant and equipment	**6,199**	4,967
Deferred tax	**33**	33
Non-current assets	**9,284**	5,626
Working capital	**(1,147)**	(5,033)
Net financial assets	**101**	-
Net cash	**2,669**	1,867
Current tax liability	**(1,147)**	(647)
Net assets	**9,760**	1,813

Net assets have increased by £7.9m to £9.8m, driven by strong profits. Working capital has increased by £3.9m and the group has a strong net cash (cash less bank borrowings and other loans) position up £0.8m at £2.7m at the year end. After the reporting date the Company received net proceeds of £46m from its Initial Public Offering.

Statement of cash flows

	2014	2013
	£000	£000
Profit for the year	**8,427**	2,570
Depreciation charges and amortisation	**979**	568
Tax expense	**2,310**	614
Finance expenses	**84**	102
Increase in inventories	**(2,955)**	(3,442)
(Increase)/decrease in trade and other receivables	**(3,179)**	16
Increase in trade and other payables	**2,147**	5,280
Capital expenditure	**(4,637)**	(4,647)
Free cash flow	**3,176**	1,061
Interest paid	**(84)**	(102)
Tax paid	**(1,810)**	-
Non-cash changes and exchange differences	**20**	-
Proceeds from new loans	**199**	2,667
Redemption of preference shares	**(100)**	-
Dividends paid	**(400)**	-
Repayment of borrowings	**(197)**	(579)
Net cash flow	**804**	3,047
Cash and cash equivalents at beginning of year	**4,607**	1,560
Cash and cash equivalents at end of year	**5,411**	4,607

Free cash flow was £3.2m compared to £1.1m in 2013. Working capital requirements have increased due to the growth of business activity and the change to direct sourcing: inventories have increased due to the requirement to hold more products to serve our growing customer base; receivables have increased in line with revenue growth and due to a £0.5m deposit guarantee for global credit card payments and £1.1m increase in related party receivables and increase in other receivables of £1.4m. Capital expenditure was £4.6m as we have continued to invest in our warehouse and IT systems to support projected growth in trade. At the year end, and before the net injection of £46m following the flotation on 14 March 2014, the cash balances were £5.4m compared to £4.6m in 2013.

First Quarter to 31 May 2014

The quarter to May 2014, delivered record revenues of £30.7m up 24% (28% CER) on top of comparative quarterly growth of 128% for Q1 FY 2014. The comparisons with last year ease throughout the year given the 100% growth in H1 FY 2014 compared to 41% in H2 FY 2014.

During the first quarter we increased our marketing spend into the spring season and Easter to 17.7% of revenue. The impact of this planned increase in marketing spend led to acceleration in growth through the quarter with May's revenue growth being double that seen in March.

The UK market has performed very strongly delivering first quarter revenue growth of 44% and Europe up 36% (41% CER). France, which drove a 107% increase in visitors, grew strongly with the first quarter revenues up 48% compared to the previous quarter, demonstrating the successful impact of the local language website.

Rest of world revenue declined by 20% (7% CER) driven by Australia. This decline was against an increase of 626% (596% CER) for Q1 FY 2014. The Australian market has however been highly profitable and with gross margins in excess of 70%, the focus had been on protecting profitability. Following recent internal review and two visits to Australia by the joint CEOs, the pricing strategy has been amended in order to reflect the weaker Australian dollar. We continue to manage Australia for profitability and have recently appointed a country manager.

Outlook

We continue to trade in line with expectations for the full year and anticipate revenue growth to accelerate as comparatives become less demanding and as we increase our marketing spend in line with our targets.
We are excited about our future growth prospects including: introduction of new product ranges, delivering new foreign language websites and new currency options as well as further improving our mobile website and customer experience.

Mahmud Kamani	**Carol Kane**	**Neil Catto**
Joint Chief Executive	Joint Chief Executive	Chief Financial Officer

Note about these financial statements

boohoo.com plc is not required to produce annual accounts until the year ended 28 February 2015. The group accounts contained in this announcement for the year ended 28 February 2014 are non-statutory accounts that have been compiled for comparative purposes without material adjustment from the audited results for the year ended 28 February 2014 of the Company's subsidiaries, boohoo.com UK Limited (formerly Wasabi Frog Limited), Boo Who Limited and ABK Limited, acquired on 14 March 2014 and presented on the basis that these entities had always been part of the new group of which boohoo.com plc is now the ultimate parent.

Related party transactions

The related party transactions are detailed in Note 19 in the financial statements and show the transactions between related parties that occurred in the year to February 2014. With the exception of the rental of the office from Kamani Commercial Property Limited and marketing services provided by The White Cube Creative Limited, transactions between boohoo.com UK Limited and related parties became minimal from November 2013 onwards.

Consolidated statement of comprehensive income

for the year ended 28 February 2014

	Note	2014 £000	2013 £000
Revenue	2	**109,791**	67,282
Cost of sales		**(44,879)**	(30,619)
Gross profit		**64,912**	36,663
Distribution costs		**(24,290)**	(13,613)
Administrative expenses		**(30,289)**	(19,764)
Other income	3	**488**	-
Profit before tax		**10,821**	3,286
Finance costs	4	**(84)**	(102)
Profit before tax		**10,737**	3,184
Taxation	9	**(2,310)**	(614)
Profit for the year		**8,427**	2,570
Other comprehensive income for the year, net of income tax			
Net fair value gains on cash flow hedges		20	-
Total comprehensive income for the year		**8,447**	2,570

All activities relate to continuing operations.

The notes form part of these financial statements.

Consolidated statement of financial position

at 28 February 2014

	Note	2014	2013
		£000	£000
Assets			
Non-current assets			
Intangible assets	*10*	**3,052**	626
Property, plant and equipment	*11*	**6,199**	4,967
Deferred tax	*13*	**33**	33
		9,284	5,626
Current assets			
Inventories	*14*	**9,795**	6,840
Trade and other receivables	*15*	**3,927**	873
Financial assets	*20*	**125**	-
Cash and cash equivalents		**5,411**	4,607
Total current assets		**19,258**	12,320
Total assets		**28,542**	17,946
Current liabilities			
Trade and other payables	*16*	**(14,869)**	(12,746)
Interest bearing loans and borrowings	*17*	**(384)**	(219)
Financial liabilities	*20*	**(24)**	-
Current tax liability		**(1,147)**	(647)
Total current liabilities		**(16,424)**	(13,612)
Liabilities			
Non-current liabilities			
Interest bearing loans and borrowings	*17*	**(2,358)**	(2,521)
Total liabilities		**(18,782)**	(16,133)
Net assets		**9,760**	1,813
Equity			
Share capital	*18*	**-**	-
Share premium	*18*	**-**	-
Capital redemption reserve		**100**	-
Capital reserve on consolidation		**17**	117
Hedging reserves		**20**	-
Retained earnings		**9,623**	1,696
Total equity		**9,760**	1,813

The notes form part of these financial statements.

Consolidated Statement of Changes in Equity

	Reconstruction reserve	Capital redemption reserve	Hedging reserves	Retained earnings/ accumulated losses	Total equity
	£000	£000	£000	£000	£000
Balance as at 1 March 2012	117	-	-	(874)	(757)
Total comprehensive income for the year					
Profit for the year	-	-	-	2,570	2,570
Total comprehensive income for the year	-	-	-	2,570	2,570
Balance at 28 February 2013	117	-		1,696	1,813
Total comprehensive income for the year					
Profit for the year	-	-	-	8,427	8,427
Fair value gains on cash flow hedges	-	-	20	-	20
Total comprehensive income for the year	-	-	20	8,427	8,447
Transactions with owners					
Redemption of preference shares	(100)	100	-	(100)	(100)
Dividends paid	-	-	-	(400)	(400)
Balance at 28 February 2014	**17**	**100**	**20**	**9,623**	**9,760**

The notes form part of these financial statements.

Consolidated cash flow statement
for the year ended 28 February 2014

	Note	2014	2013
		£000	£000
Cash flows from operating activities			
Profit for the year		**8,427**	2,570
Adjustments for:			
Depreciation charges and amortisation		**979**	568
Gain on sale of property, plant and equipment		**(60)**	-
Transfer from hedging reserves		**20**	-
Finance costs		**84**	102
Tax expense		**2,310**	614
Profit before tax before changes in working capital and provisions		**11,760**	3,854
Increase in inventories		**(2,955)**	(3,442)
(Increase)/decrease in trade and other receivables		**(3,179)**	16
Increase in trade and other payables		**2,147**	5,280
Cash generated from operations		**7,773**	5,708
Interest paid		**(84)**	(102)
Tax paid		**(1,810)**	-
Net cash inflow from operating activities		**5,879**	5,606
Cash flows from investing activities			
Acquisition of intangible assets	*10*	**(2,762)**	(357)
Acquisition of tangible property, plant and equipment	*11*	**(1,875)**	(691)
Acquisition of Burnley warehouse	*11*	**-**	(3,599)
Proceeds from sale of property, plant and equipment		**60**	-
Net cash used in investing activities		**(4,577)**	(4,647)
Cash flows from financing activities			
Proceeds from new loan		**199**	2,667
Redemption of preference shares		**(100)**	-
Dividends paid		**(400)**	-
Repayment of borrowings		**(197)**	(579)
Net cash (used in)/generated from financing activities		**(498)**	2,088
Increase in cash and cash equivalents		**804**	3,047
Cash and cash equivalents at beginning of year		**4,607**	1,560
Cash and cash equivalents at end of year		**5,411**	4,607

The notes form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

boohoo.com plc is a company incorporated and domiciled in Jersey.

The group financial statements consolidate those of its subsidiaries that became its subsidiaries after the year end, ABK Limited, boohoo.com UK Limited (formerly Wasabi Frog Limited) and Boo Who Limited ("Subsidiaries"). All intercompany transactions between group companies are eliminated.

The group financial statements, which are not statutory financial statements, have been extracted from financial statements of the Subsidiaries prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), IFRIC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. Since the Company did not acquire the group until after the balance sheet date, these financial statements include the results of the Subsidiaries as if they were always part of the group and are for comparative purposes. boohoo.com plc acquired the group on 14 March 2014 simultaneous with its flotation and admission to the AIM listing of the London Stock Exchange. The proceeds from that flotation are not therefore included in these financial statements.

The directors have considered the accounting policy that should be applied in respect of the consolidation of the group formed upon acquisition of the group on admission. They have concluded that the transaction described above represented a combination of entities under common control and in accordance with IAS 8 "Accounting policies, changes in accounting estimates and errors" have considered FRS6 "acquisitions and mergers" under UK GAAP, which the directors believe reflects the economic substance of the transaction. Under this standard, assets and liabilities are recorded at book value, not fair value, intangible assets and contingent liabilities are recognised only to the extent that they were recognised by the legal acquirer, no goodwill is recognised, any expenses of the combination are written off immediately to the income statement and comparative amounts, if applicable, are restated as if the combination had taken place at the beginning of the earliest accounting period presented. Therefore, although the group reconstruction did not take place until 14 March 2014, there consolidated financial statements are presented as if the group structure had always been in place, using merger accounting principles.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Measurement convention

The consolidated financial statements have been prepared on a going concern basis and under the historical cost convention, as modified by financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

Going concern

The financial statements have been approved on the assumption that the group remains a going concern. The following paragraph summarises the issues and basis on which the directors have reached their conclusion.

The directors have reviewed the group's cash flow forecasts for a period exceeding 12 months from the date of authorisation of these financial statements. Following this review, the directors have formed a judgement that, at the time of approval of the financial statements, the group has sufficient resources to continue operating for the foreseeable future including the funding of necessary capital expenditure. For the reasons noted above, the directors continue to prepare the financial statements on a going concern basis.

Basis of consolidation

Subsidiaries are entities controlled by the group. Control exists when the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. Subsidiary undertakings acquired during the year are accounted for using the acquisition method of accounting. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Where parts of an item of property, plant and equipment have different useful lives they are accounted for as separate property, plant and equipment. Asset acquisitions are funded from cash rather than from borrowings.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of each item of property, plant and equipment is written off evenly over its estimated remaining useful life. Depreciation is charged to the statement of comprehensive income on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment, as follows: Buildings –2%; motor vehicles and computer equipment – 33% on cost; and short leasehold and fixtures and fittings – 33% or 20%. The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date.

Classification of financial instruments issued by the group

Financial instruments issued by the group are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

b) where the instrument will or may be settled in the group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the group's own equity instruments or is a derivative that will be settled by the group's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for share capital and share premium exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of finance costs. Finance payments associated with financial instruments that are classified in equity are dividends and are recorded directly in equity.

Financial risk management

The group seeks to mitigate partially against increased interest rates whilst maintaining a degree of flexibility to benefit from decreased rates of interest by holding a mix of short and longer term loans sourced both externally and from related parties.

Financial instruments

Financial instruments are recognised at fair value and subsequently held at amortised cost. For those recognised at fair value the gain or loss on re-measurement to fair value is recognised immediately in the statement of comprehensive income.

Trade and other receivables

Trade and other receivables are recorded initially at fair value. Subsequent to this they are measured at amortised cost less any impairment losses.

Trade and other payables

Trade and other payables are recorded initially at fair value. Subsequent to this they are measured at amortised cost.

Accounting policies ***(continued)***

Derivative financial instruments and cash flow hedges

The group holds derivative financial instruments to hedge its foreign currency exposures. These derivatives, classified as cash flow hedges, are initially recognised at fair value and then re-measured at fair value at the end of each reporting date. Hedging instruments are documented at inception and effectiveness is tested throughout their duration. Changes in the value of cash flow hedges are recognised in other comprehensive income and any ineffective portion is immediately recognised in the statement of comprehensive income. If the firm commitment or forecast transaction that is the subject of a cash flow hedge results in the recognition of a non-financial asset or liability, then at the time the asset is recognised, the associated gains or losses on the derivative that had been previously recognised on other comprehensive income are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or liability, amounts deferred in other comprehensive income are recognised in the statement of comprehensive income in the same period in which the hedged item affects net profit.

Taxation

Tax on the profit for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Cash and cash equivalents

Cash and cash equivalents, for the purpose of the cash flow statement and the statement of financial position, comprises cash in hand.

Impairment

Non financial assets

The carrying amounts of the group's non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from the other assets or group of assets. Impairment losses are recognised in the statement of comprehensive income.

The recoverable amount of an asset or cash generating unit is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time, value for money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Financial assets

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

The recoverable amount of the group's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Accounting policies *(continued)*

Revenue

Revenue and profit before tax are attributable to the one principal activity of the business and represents net invoiced sales of goods, excluding value added tax. Revenue from the sale of goods is recognised when the group has transferred the goods to the buyer.

Intangible Assets

Intangible assets are valued at cost less accumulated amortisation. The group purchased various domain names and the registered trademark which have been included in Patents and licences. These are expected to have an estimated useful life of 10 years and have been amortised over this period. Computer software purchased in the year has been amortised over its estimated life of 3 or 4 years. Amortisation is included in administrative expenses in the statement of comprehensive income.

Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Inventories are valued on a first in first out basis.

Leasing commitments

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

Finance costs

Interest payable is recognised in the statement of comprehensive income as it accrues in respect of the effective interest rate method.

Pension costs

The group contributes to a Group Personal Pension scheme for certain employees under a defined contribution scheme. The costs of these contributions are charged to statement of comprehensive income on an accruals basis as they become payable under the scheme rules.

Significant estimates and judgements

The preparation of financial statements in conformity with IFRS as adopted by the EU requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. The estimates and assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Actual results could differ from these estimates and any subsequent changes are accounted for when such information becomes available. The judgements, estimates and assumptions that are the most subjective or complex are discussed below:

Refund accruals
Accruals for sales refunds are estimated based on recent historical returns and management's best estimates and are allocated to the period in which the revenue is recorded. Actual returns could differ from these estimates.

Inventory valuation
Inventory is carried at the lower of cost or net realisable value. The estimation of net realisable value may be different from the future actual value realised.

1 Accounting policies *(continued)*

IFRSs issues not yet applied

The following new standards, amendments to standards and interpretations issued by the International Accounting Standards Board became effective during the year, but have no material effect on the group's Financial Statements:

- Improvements to IFRS 2011

The International Accounting Standards Board ('IASB') and International Financial Reporting Interpretations Committee ('IFRIC') have also issued the following standards and interpretations which have been endorsed by the EU at 28 February 2014 with an effective date of implementation after the date of these Financial Statements:

International Accounting Standards (IAS/IFRSs)

	Effective date (periods beginning on or after
IFRS10 (revised) Consolidated Financial Statements	1 January 2014
IFRS11 (revised) Joint Arrangements	1 January 2014
IFRS12 (revised) Disclosure of Interests in Other Entities	1 January 2014
IAS27 (revised) Separate Financial Statements (2011)	1 January 2014
Amendments to IAS32 Offsetting Financial Assets and Financial Liabilities	1 January 2014

The directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the financial statements in the period of initial application.

2 Revenue

Sales revenue by geographical market

	2014	2013 (restated)[1]
	£000	£000
UK	**70,992**	44,326
Rest of Europe	**13,058**	7,349
Rest of world	**25,741**	15,607
	109,791	67,282

1. The geographic split of revenue in 2013 has been restated in respect of certain countries in rest of Europe that were previously in rest of world and for a more accurate regional allocation of returns provisions.

3 Other income

	2014	2013
	£000	£000
Gift to group from director for benefit of employees	**450**	-
Waiver of loan from director in ABK Limited	**38**	-
	488	-

4 Finance costs

	2014	2013
	£000	£000
Bank interest	**84**	102

5 Auditors' remuneration

	2014	2013
	£000	£000
Audit of these financial statements		
Disclosure below based on amounts receivable in respect of services to the group		
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	**45**	30
Other services relating to taxation	**-**	3
Transaction services fees	**255**	-
	300	33

6 Profit before tax

Profit before tax is stated after charging	**2014**	2013
	£000	£000
Hire of plant and machinery	**-**	24
Operating lease rentals for buildings	**401**	-
Depreciation	**643**	414
Amortisation	**336**	154
Exceptional items – capital re-organisation fees	**375**	-

7 Staff numbers and costs

The average monthly number of persons employed by the group (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2014	2013
Administration	**252**	121
Selling and distribution	**142**	89
	394	210

The aggregate payroll costs of these persons were as follows:

	2014	2013
	£000	£000
Wages and salaries	**9,144**	4,594
Social security costs	**849**	426
	9,993	5,020

8 Directors' remuneration

	2014	2013
	£000	£000
Directors' emoluments		
Wages and salaries	386	239
Other pension costs	28	26
	414	265

The aggregate of emoluments of the highest paid director was £225,292 *(2013:£ 127,528)*. The contributions to a money purchase pension scheme in respect of the highest paid director were £7,704 (2013: £18,972). The number of directors contributing to a money purchase pension scheme was 2 (2013: 1).

9 Taxation

	2014	2013
	£000	£000
Analysis of charge in year		
UK corporation tax		
Current tax on income for the year	**2,352**	647
Adjustments in respect of prior year taxes	**(42)**	-
Deferred taxation – depreciation in excess of capital allowances	**-**	(33)
Tax on profit on ordinary activities	**2,310**	614

The total tax charge differs from the amount computed by applying the UK rate of 23.1% *(2013: 24.2%)* to profit before tax as a result of the following:

Profit on ordinary activities before tax	**10,737**	3,184
Profit before tax multiplied by the standard rate of corporation tax on the UK of 23.1% (*2013: 24.2%*)	**2,478**	770
Effects of:		
Expenses not deductible for tax purposes – property, plant and equipment	**-**	19
(Income not subject to)/expenses not deductible for tax purposes	**(32)**	35
Adjustments in respect of prior year taxes	**(42)**	-
R&D tax credits	**(114)**	-
Change in tax rate	**-**	3
Depreciation in excess of capital allowances – deferred tax not recognised	**20**	(213)
Total income tax	**2,310**	614

A reduction in the UK corporation tax rate from 24% to 23% (effective from 1 April 2013) was substantively enacted on 3 July 2012. Accordingly the group's profits for this accounting period are taxed at an effective rate of 23.1%. The deferred tax asset at 28 February 2014 has been calculated based on the rate of 23% at the reporting date.

The March 2013 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the group's future current tax charge and reduce the group's deferred tax asset accordingly.

10 Intangible assets

	Patents and licences	Computer software	Totals
	£000	**£000**	**£000**
Cost			
Balance at 1 March 2012	208	438	646
Additions	75	282	357
Disposals	(10)	-	(10)
Balance at 28 February 2013	273	720	993
Balance at 1 March 2013	273	720	993
Additions	28	2,734	2,762
Balance at 28 February 2014	**301**	**3,454**	**3,755**
Accumulated amortisation			
Balance at 1 March 2012	43	180	223
Amortisation for the year	26	128	154
Disposals	(10)	-	(10)
Balance at 28 February 2013	59	308	367
Balance at 1 March 2013	59	308	367
Amortisation for year	29	307	336
Balance at 28 February 2014	**88**	**615**	**703**
Net book value			
At 29 February 2012	165	258	423
At 28 February 2013	214	412	626
At 28 February 2014	**213**	**2,839**	**3,052**

11 Property, plant and equipment

	Short Leasehold	Fixtures and fittings	Computer Equipment	Motor Vehicles	Land & Buildings	Totals
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Cost						
Balance at 1 March 2012	279	599	397	155	372	1,802
Additions	131	361	174	25	3,599	4,290
Balance at 28 February 2013	410	960	571	180	3,971	6,092
Balance at 1 March 2013	410	960	571	180	3,971	6,092
Additions	921	376	499	74	5	1,875
Disposals	-	-	-	(172)	-	(172)
Balance at 28 February 2014	**1,331**	**1,336**	**1,070**	**82**	**3,976**	**7,795**
Accumulated depreciation						
Balance at 1 March 2012	79	230	296	106	-	711
Depreciation charge for the year	62	147	93	69	43	414
Balance at 28 February 2013	141	377	389	175	43	1,125
Balance at 1 March 2013	141	377	389	175	43	1,125
Depreciation charge for the year	130	232	178	21	82	643
Disposals	-	-	-	(172)	-	(172)
Balance at 28 February 2014	**271**	**609**	**567**	**24**	**125**	**1,596**
Net book value						
At 29 February 2012	200	369	101	49	372	1,091
At 28 February 2013	269	583	182	5	3,928	4,967
At 28 February 2014	**1,060**	**727**	**503**	**58**	**3,851**	**6,199**

12 Investments

The subsidiaries held from 14 March 2014 but consolidated in these accounts are set out below:

Company	Principal activity	Country of incorporation	Percentage ownership
ABK Limited	Holding company	Jersey	100%
Boohoo.com UK Limited (formerly Wasabi Frog Limited)	Trading company	UK	100%
Boo Who Limited	Property holding company	UK	100%
Boohoo.com USA Limited	Dormant company	UK	100%

13 Deferred tax

	Depreciation in excess of capital allowances £000
At 1 March 2012	-
Recognised in statement of comprehensive income	33
At 28 February 2013	33
At 28 February 2014	**33**

14 Inventories

	2014 £000	2013 £000
Finished goods	**9,795**	6,840

The value of inventories included within cost of sales for the year was £42,433,000 *(2013: £30,619,000).* An impairment provision of £517,000 *(2013: £687,000)* was charged to the statement of comprehensive income. The relative reduction in the level of the provision between 2013 and 2014 follows the introduction of a new provisioning methodology during the year calculated on the basis of an enhanced level of historic inventory data. The provision at 28 February 2013 under the new methodology would have been £335,000.

15 Trade and other receivables

	2014	2013
	£000	£000
Amounts due from related party undertakings	**1,156**	39
Other receivables	**1,610**	158
Prepayments and accrued income	**1,161**	676
	3,927	873

The amounts due from related party undertakings will be repaid within six months. Other receivables represent amounts due from credit card sales which were received within a few days of the invoice date in accordance with normal bank clearance times, advance payments to suppliers and a deposit paid to a credit card organisation.

16 Trade and other payables

	2014	2013
	£000	£000
Trade payables	**8,469**	7,910
Amounts owed to related party undertakings	**192**	953
Other payables	**42**	49
Accruals and deferred income	**4,859**	3,242
Taxes and social security payable	**1,307**	592
	14,869	12,746

17 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the group's interest-bearing loans and borrowings, which are measured at amortised cost.

	2014	2013
	£000	£000
Non-current liabilities		
Secured bank loans	**2,358**	2,482
Other loans	**-**	39
	2,358	2,521
Current liabilities		
Current portion of secured bank loans	**185**	185
Current portion of other loans	**199**	34

	2014	2013
	384	219

17 Interest-bearing loans and borrowings *(continued)*

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	2014 £000	2013 £000
Secured Bank Loan	**£**	**2.75%**	**2027**	**2,543**	2,667
Carbon Trust Loan	**£**	**0%**	**2014**	**-**	14
Other Loan	**£**	**0%**	**2014**	**199**	59
				2,742	2,740

The secured bank loan was repaid early in April 2014.

18 Share capital and share premium

	2014 £000	2013 £000
Authorised and fully paid ordinary shares of 1p each *(2013:nil)*	**-**	-

During the year, the redeemable preference shares in boohoo.com UK Limited (formerly Wasabi Frog Limited) were redeemed at nominal value of £99,917.
The share capital is prior to the issue of shares on flotation on 14 March 2014.

19 Related party disclosures

Included in amounts due from related party undertakings at the year end in boohoo.com UK Limited (formerly Wasabi Frog Limited) is an amount of £1,155,684 (*2013: amounts owed to related party undertakings £419,100)* due from Jogo Associates Limited, a company in which J A Kamani is interested in as director and shareholder and M A Kamani is interested in as a shareholder. Transactions in boohoo.com UK Limited (formerly Wasabi Frog Limited) with Jogo Associates Limited during the year were as follows:

	2014 £000	2013 £000
Purchases	**453**	426
Loan	**1,142**	-

19 Related party disclosures *(continued)*

Included in trade payables at the year end in boohoo.com UK Limited (formerly Wasabi Frog Limited) is an amount of £nil *(2013: £nil)* payable to The White Cube Creative Limited, a company in which the domestic partner of C Kane is interested in as a director. Transactions in boohoo.com UK Limited (formerly Wasabi Frog Limited) with The White Cube Creative Limited during the year were as follows:

	2014	2013
	£000	£000
Administration costs – marketing services	**74**	98

Included in trade payables at the year end in boohoo.com UK Limited (formerly Wasabi Frog Limited) is an amount of £nil *(2013: £4,082,892)* payable to The Pinstripe Clothing Co. Limited, a company in which J A Kamani and M A Kamani are interested in as directors and shareholders. Included in amounts owed to related party undertakings at the year end in boohoo.com UK Limited (formerly Wasabi Frog Limited) is an amount of £27,541 *(2013: £533,925)*. Transactions in boohoo.com UK Limited (formerly Wasabi Frog Limited) with The Pinstripe Clothing Co. Limited during the year were as follows:

	2014	2013
	£000	£000
Purchases	**10,162**	30,995
Loan	**926**	-

Included in trade payables at the year end in boohoo.com UK Limited (formerly Wasabi Frog Limited) is an amount of £nil *(2013: £561,932)* payable to Red Orange Limited, a company in which M A Kamani and C Kane are interested in as directors and shareholders. Included in amounts owed to related party undertakings at the year end in boohoo.com UK Limited (formerly Wasabi Frog Limited) is an amount of £16,374 *(2013: included in amounts due from related party undertakings £33,290)*. Transactions in boohoo.com UK Limited (formerly Wasabi Frog Limited) with Red Orange Limited during the year were as follows:

	2014	2013
	£000	£000
Purchases	**1,157**	4,230

Included in trade payables at the year end in boohoo.com UK Limited (formerly Wasabi Frog Limited) is an amount of £20,716 *(2013: £47,366)* payable to Pannone Corporate LLP, a company in which S Grant (a former director of boohoo.com UK Limited) is interested in as a Partner. Transactions in boohoo.com UK Limited (formerly Wasabi Frog Limited) with Pannone Corporate LLP during the year were as follows:

	2014	2013
	£000	£000
Administration costs – legal services	**196**	100

19 Related party disclosures *(continued)*

Included in trade payables at the year end in boohoo.com UK Limited (formerly Wasabi Frog Limited) is an amount of £nil *(2013: £33,022)* payable to Kamani Commercial Property Limited, a company in which M A Kamani and J A Kamani are interested in as directors. Included in amounts owed to related party undertakings at the year end in boohoo.com UK Limited (formerly Wasabi Frog Limited) is an amount of £129,585 *(2013: amounts due from related party undertakings £4,006)*. Transactions in boohoo.com UK Limited (formerly Wasabi Frog Limited) with Kamani Commercial Property Limited during the year were as follows:

	2014	2013
	£000	£000
Rent and service charge	**575**	458

Included in trade payables at the year end in boohoo.com UK Limited (formerly Wasabi Frog Limited) is an amount of £nil *(2013: £20,568)* due to Kamani Construction Limited, a company in which M A Kamani and J A Kamani are interested in as directors. Included in amounts owed to related party undertakings at the year end in boohoo.com UK Limited (formerly Wasabi Frog Limited) is an amount of £17,913 *(2013: amounts due from related party undertakings £1,928)*. Transactions in boohoo.com UK Limited (formerly Wasabi Frog Limited) with Kamani Construction Limited during the year were as follows:

	2014	2013
	£000	£000
Purchases	**170**	161

Included in amounts owed by related party undertakings in boohoo.com UK Limited (formerly Wasabi Frog Limited) at the year is an amount of £1,071,016 *(2013: £1,232,462)* due from Boo Who Limited, a subsidiary of boohoo.com UK Limited (formerly Wasabi Frog Limited) and of which M A Kamani is a director. Transactions in boohoo.com UK Limited (formerly Wasabi Frog Limited) with Boo Who Limited during the year were as follows:

	2014	2013
	£000	£000
Distribution costs - Rent	**324**	324
Interest and other expenses payable	**49**	40

Included in trade payables at the year end in boohoo.com UK Limited (formerly Wasabi Frog Limited) is an amount of £10,000 *(2013: £nil)* payable to Zeus Capital Limited, a company in which R Hughes (a former director of boohoo.com UK Limited) is interested in as a director. Transactions in boohoo.com UK Limited (formerly Wasabi Frog Limited) with Zeus Capital Limited during the year were as follows:

	2014	2013
	£000	£000
Administration costs	**120**	-

19 Related party disclosures *(continued)*

Included in prepayments and accrued income at the year end in boohoo.com UK Limited (formerly Wasabi Frog Limited) is an amount of £450,000 *(2013: £nil)* due from M A Kamani in respect of a gift to boohoo.com UK Limited (formerly Wasabi Frog Limited) for the benefit of employees.

	2014	2013
	£000	£000
Other income	**450**	-

Included in trade payables in boohoo.com UK Limited (formerly Wasabi Frog Limited) at the year end is an amount of £nil *(2013: £nil)* payable to Graphic Clothing Limited, a company in which J A Kamani is interested in as a director. Transactions in boohoo.com UK Limited (formerly Wasabi Frog Limited) with Graphic Clothing Limited during the year were as follows:

	2014	2013
	£000	£000
Purchases	**614**	-

20 Financial instruments

(a) ***Fair values of financial instruments***

Trade and other receivables

The fair value of trade and other receivables, excluding construction contract debtors, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date if the effect is material.

Trade and other payables

The fair value of trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date if the effect is material.

Cash and cash equivalents

The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Interest-bearing borrowings

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

20 **Financial instruments** *(continued)*

Fair values

	2014	2013
	£000	£000
Financial assets		
Cash and cash equivalents	**5,411**	4,607
Cash flow hedges	**125**	-
Trade and other receivables	**2,766**	197
Total financial assets	**8,302**	4,804

	2014	2013
	£000	£000
Financial liabilities		
Other interest-bearing loans and borrowings	**2,742**	2,740
Cash flow hedges	**24**	-
Trade and other payables	**13,562**	12,154
Total financial liabilities	**16,328**	14,894

(b) Credit risk

Financial risk management

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from customers and hedging and other financial activities.

The group faces minimal credit risk from trade receivables as customers pay for their orders in full at the time of purchase and bank clearance of credit cards receipts is of short duration. The risk of default from related party undertakings is considered low.

(c) Liquidity risk

Financial risk management

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due.

The group's approach to managing liquidity is to use both short-term and long-term cash forecasts to assist in monitoring cash flow requirements.

20 Financial instruments *(continued)*

(d) Capital risk

Financial risk management

Capital risk is the risk that the group will not be able to continue as a going concern.

The group's approach to managing capital risk is to safeguard the group's ability to continue as a going concern by securing an appropriate mix of debt and equity funding, a strong credit rating and sufficient headroom.

(d) Foreign currency risk

Financial risk management

The group trades internationally and is exposed to exchange rate risk on purchases and sales, primarily in Australian dollars, euros and US dollars. The group's results are presented in sterling and are exposed to exchange rate risk on translation of foreign currency assets and liabilities.

The group's approach to managing foreign currency risk is to use financial instruments in the form of forward foreign exchange contracts to hedge foreign currency cash flows.

The fair value of forward foreign exchange contracts recognised in the Statement of Financial Position within financial assets at 28 February 2014 was £125,000 (2013: £nil) and within financial liabilities was £24,000 (2013: £nil). Cash flows related to these contracts will occur during the year to 28 February 2015 and gains or losses will be recognised in the Statement of Comprehensive Income during the same period.

21 Operating Leases

The group has lease agreements in respect of properties, plant and equipment, for which the payments extend over a number of years. The total of future minimum lease payments under non-cancellable operating leases due in each period are:

	2014	2013
	£000	£000
Within one year	**555**	-
Within two to five years	**1,752**	-

Appendix 1

Restatement of geographic analysis of revenue

The table below shows the revenue for the 10 months to December, which has been restated from the numbers shown in the Admission Document in respect of certain European countries that were previously shown in rest of world as well as a more accurate regional allocation of returns provisions.

	10 months to December restated		10 months to December as previously reported	
	2014	2013	**2014**	2013
	£000	£000	**£000**	£000
UK	**58,147**	35,991	**58,295**	35,639
Rest of Europe	**10,856**	5,847	**8,062**	6,290
Rest of World	**22,918**	12,227	**25,564**	12,136
	91,921	54,065	**91,921**	54,065