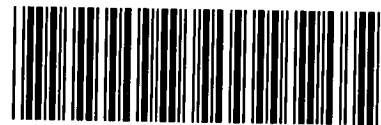


Company Number: 07289272

**ASOS MARKETPLACE LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**ASOS MARKETPLACE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**ASOS MARKETPLACE LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**DIRECTORS:** N Beighton  
M Dunn  
A Suchopar

**SECRETARY:** A Suchopar

**REGISTERED OFFICE:** Greater London House  
Hampstead Road  
London, England  
NW1 7FB

**COMPANY NUMBER:** 07289272 (England and Wales)

**INDEPENDENT AUDITORS:** PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
54 Clarendon Road  
Watford  
Hertfordshire  
WD17 1DU

**ASOS MARKETPLACE LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Directors submit their report and the audited financial statements of ASOS Marketplace Limited (the "Company") for the year ended 31 August 2019.

**DIRECTORS**

The Directors during the year ended 31 August 2019 and up to the date of signing the financial statements were:

N Beighton.  
M Dunn (appointed 9 May 2019)  
A Suchopar (appointed 28 June 2019)  
A Magowan (resigned 28 June 2019)

**COMPANY INFORMATION**

The Company is incorporated and domiciled in England and Wales, is a private company limited by shares and a wholly owned subsidiary of ASOS Intermediate Holdings Limited, a company registered in England and Wales. The ultimate parent company is ASOS Plc.

The Directors' report has been prepared taking advantage of the small companies exemption in accordance with section 415A of the Companies Act 2006. The Directors have also taken advantage of the exemption available to small companies under section 414B of the Companies Act 2006, and consequently no strategic report has been prepared.

**PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENT**

The Company's principal activity during the year was the operation of an online marketplace for the sale of fashion items by boutiques. The Company's revenue is made up of commission, rental and promotional income. The Company expects to continue to build its portfolio of boutique sellers and further increase traffic to and purchases from the website during the next financial year and beyond.

**RESULTS AND DIVIDENDS**

Company profit and total comprehensive income for the financial year ended 31 August 2019 was £402,666 (2018: £565,745). The Directors do not recommend the payment of a dividend for the year ended 31 August 2019 (2018: £nil).

**DIRECTORS' INDEMNITIES**

The Company maintained liability insurance for its Directors and officers during the year under review and up to the date of signing the financial statements. This is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

**GOING CONCERN**

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of ASOS Plc. The Directors have received confirmation that ASOS Plc intends to support the Company for at least one year from the date these financial statements are approved.

**ASOS MARKETPLACE LIMITED**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

**Directors' confirmations**

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP, having indicated its willingness to continue in office, will be deemed to be reappointed under section 487(2) of the Companies Act 2006.

This report was approved by the Board on 5<sup>th</sup> February 2020.

On behalf of the Board



M Dunn  
Director

**ASOS MARKETPLACE LIMITED**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASOS MARKETPLACE**  
**LIMITED**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Report on the audit of the financial statements**

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**Opinion**

In our opinion, ASOS Marketplace Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 August 2019; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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**Conclusions relating to going concern**

ISAs (UK) require us to report to you when:

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

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms of the United Kingdom's withdrawal from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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**Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If,

**ASOS MARKETPLACE LIMITED**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASOS MARKETPLACE**  
**LIMITED**  
**FOR THE YEAR ENDED 31 AUGUST 2019 (CONTINUED)**

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based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

*Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 August 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

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**Responsibilities for the financial statements and the audit**

*Responsibilities of the Directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

*Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

*Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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**Other required reporting**

**Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

**ASOS MARKETPLACE LIMITED**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASOS MARKETPLACE**  
**LIMITED**  
**FOR THE YEAR ENDED 31 AUGUST 2019 (CONTINUED)**

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**Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Nicola Adlington (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Watford  
5 February 2020

**ASOS MARKETPLACE LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Year ended 31 August 2019 £	Year ended 31 August 2018 £
Revenue	3	1,486,582	1,918,125
Gross profit		1,486,582	1,918,125
Administrative expenses		(1,021,286)	(1,365,792)
Operating profit	4	465,296	552,333
Finance expense	5	(352)	(602)
Profit before income tax		464,944	551,731
Income tax (charge)/credit	6	(62,278)	14,014
Profit and total comprehensive income for the financial year		402,666	565,745

**ASOS MARKETPLACE LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Called up share capital £	Accumulated losses £	Total shareholders' deficit £
<b>At 1 September 2017</b>		1	(2,130,854)	(2,130,853)
Profit and total comprehensive income for the financial year		-	565,745	565,745
<b>At 31 August 2018</b>		<u>1</u>	<u>(1,565,109)</u>	<u>(1,565,108)</u>
Profit and total comprehensive income for the financial year		-	402,666	402,666
<b>At 31 August 2019</b>	11	<u>1</u>	<u>(1,162,443)</u>	<u>(1,162,442)</u>

**ASOS MARKETPLACE LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 AUGUST 2019**

	Note	31 August 2019 £	31 August 2018 £
<b>Fixed assets</b>			
Intangible assets	7	942,785	257,919
Deferred tax asset	8	87,049	143,784
		<u>1,029,834</u>	<u>401,703</u>
<b>Current assets</b>			
Trade and other receivables	9	49,140	59,934
Cash and cash equivalents		749,384	40,217
		<u>798,524</u>	<u>100,151</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	10	(2,990,800)	(2,066,962)
<b>Net current liabilities</b>		<u>(2,192,276)</u>	<u>(1,966,811)</u>
<b>Total assets less current liabilities</b>		<u>(1,162,442)</u>	<u>(1,565,108)</u>
<b>NET LIABILITIES</b>		<u>(1,162,442)</u>	<u>(1,565,108)</u>
<b>Equity</b>			
Called up share capital	11	1	1
Accumulated losses		(1,162,443)	(1,565,109)
<b>TOTAL SHAREHOLDERS' DEFICIT</b>		<u>(1,162,442)</u>	<u>(1,565,108)</u>

Notes 1 to 13 on pages 10 to 16 form part of the financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements of ASOS Marketplace Limited, registered number 07289272, on pages 7 to 16, were approved by the Board of Directors and authorised for issue on 5 February 2020 and were signed on its behalf by:

  
M Dunn  
Director

**ASOS MARKETPLACE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. ACCOUNTING CONVENTION AND BASIS OF PREPARATION**

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101").

Accounting policy references are included in the relevant note throughout the financial statements and also in note 13, and represent those policies which apply to the preparation of the financial statements for the year ended 31 August 2019 under FRS 101. Various new accounting standards and amendments were issued during the year, none of which have had or are expected to have any significant impact on the Company.

The Company is a wholly-owned subsidiary of ASOS Intermediate Holdings Limited and is included in the consolidated financial statements of its ultimate parent company ASOS Plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006 and the following exemptions in accordance with FRS 101:

- The requirements of IFRS 7, 'Financial Instruments: Disclosures'
- All exempted paragraphs of IAS 1, 'Presentation of financial statements'
- The requirements of IAS 7, 'Statements of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in estimates and errors'
- The requirements of IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

Wherever required, the equivalent disclosures are included in the consolidated financial statements of ASOS Plc. The remaining available exemptions under FRS 101 are not relevant to the financial statements of the Company.

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The Directors' report has been prepared taking advantage of the small companies exemption in accordance with section 415A of the Companies Act 2006. The Directors have also taken advantage of the exemption available to small companies under section 414B of the Companies Act 2006, and consequently no strategic report has been prepared.

The financial statements are presented in sterling and have been prepared on a going concern basis as explained in the Directors' Report on page 2. The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of ASOS Plc. The Directors have received confirmation that ASOS Plc intends to support the Company for at least one year from the date these financial statements are approved.

**2. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the course of preparing the financial statements, management necessarily makes estimates and judgements that affect the application of policies and reported amounts. Estimates and judgements are continually reviewed and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. Actual results may differ from the initial estimate or judgement and any subsequent changes are accounted for with an effect on the financial statements at the time such updated information becomes available.

The estimates and assumptions which have the most significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities are:

***Amortisation of intangible assets***

Amortisation is provided to write down assets to their residual values over their estimated useful lives. The determination of these residual values and estimated lives requires the exercise of management judgement. See note 7 on page 13.

**ASOS MARKETPLACE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**2. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)**

***Impairment of intangible assets and receivables***

Intangible assets and receivables are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is determined based on value in use calculations prepared using management's assumptions and estimates. See notes 7 and 9 on pages 13 and 14.

**3. SEGMENTAL ANALYSIS**

IFRS 8 'Operating Segments' requires operating segments to be determined based on the Company's internal reporting to the Chief Operating Decision Maker. The Chief Operating Decision Maker has been determined to be the Board of Directors and has determined that the primary segmental reporting format of the Company is geographical by customer location, based on the Company's management and internal reporting structure.

The Board of Directors assesses the performance of each segment based on revenue and gross profit.

See note 13 for the Company's accounting policy on revenue recognition.

	Year ended 31 August 2019		
	UK £	International £	Total £
Commission sales	1,149,440	158,035	1,307,475
Rental sales	108,547	20,301	128,848
Promotion sales	40,700	9,559	50,259
Total Sales	1,298,687	187,895	1,486,582
Administrative expenses			(1,021,286)
Finance expense			(352)
Profit before taxation			<u>464,944</u>

	Year ended 31 August 2018		
	UK £	International £	Total £
Commission sales	1,454,551	221,885	1,676,436
Rental sales	159,109	22,517	181,626
Promotion sales	45,911	14,152	60,063
Total Sales	1,659,571	258,554	1,918,125
Administrative expenses			(1,365,792)
Finance expense			(602)
Profit before taxation			<u>551,731</u>

**ASOS MARKETPLACE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**4. OPERATING PROFIT**

Operating profit for the year ended 31 August 2019 of £465,296 (2018: £552,333) is stated after charging amortisation of intangible assets of £128,960 (2018: £302,652) and recharged wages and salaries totalling £555,376 (2018: £643,597) as summarised below:

	Year ended 31 August 2019 £	Year ended 31 August 2018 £
Wages and salaries	482,773	565,669
Employer's NI	57,034	60,959
Pensions	15,569	16,969
	<u>555,376</u>	<u>643,597</u>

The Company had 19 employees (2018: 18) during the year under review, no Directors received remuneration in respect of their services as Directors of the Company (2018: none).

The Company's audit fees were borne by ASOS.com Limited, whose financial statements for the year ended 31 August 2019 show costs relating to the statutory audit of the Company of £5,500 (2018: £5,000).

**5. FINANCE EXPENSE**

Finance expenses are recognised in the statement of comprehensive income as incurred.

	Year ended 31 August 2019 £	Year ended 31 August 2018 £
Bank and interest charges	<u>352</u>	<u>602</u>

**6. INCOME TAX CHARGE/(CREDIT)**

See note 13 for the Company's accounting policy on taxation.

	Year ended 31 August 2019 £	Year ended 31 August 2018 £
<b>Current tax</b>		
Tax on profit	5,543	-
Adjustments in respect of prior year corporation tax	-	-
	<u>5,543</u>	<u>-</u>
<b>Deferred tax</b>		
Derecognition of previously recognised deductible temporary differences	56,735	-
Recognition of previously unrecognised deferred tax asset	-	(14,014)
	<u>56,735</u>	<u>(14,014)</u>
Income tax (charge)/credit	<u>62,278</u>	<u>(14,014)</u>

**ASOS MARKETPLACE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**6. INCOME TAX CREDIT (CONTINUED)**

**Reconciliation of tax (credit)/expense**

The tax assessed for the year is higher (2018: lower) than the standard rate of corporation tax in the UK 19.00% (2018: 19.00%). The differences are explained below:

	Year ended 31 August 2019 £	Year ended 31 August 2018 £
Profit before income tax	464,944	551,731
Profit multiplied by the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	88,339	104,829
Utilisation of tax losses under a claim for group relief	(34,831)	(109,466)
Permanent differences	7	7
Deferred tax asset not provided/temporary differences	(706)	4,630
Recognition of previously unrecognised deferred tax asset	-	(14,014)
Prior year deferred tax asset no longer required	5,202	-
Rate differences	4,267	-
Income tax charge/(credit)	62,278	(14,014)

**7. INTANGIBLE ASSETS**

Intangible assets comprise of software costs in relation to the Marketplace website. See note 13 for the Company's accounting policy on intangible assets.

	Software Development £	Assets Under Construction £	Total Intangible Assets £
<b>Cost</b>			
At 1 September 2018	4,325,219	-	4,325,219
Additions	-	813,825	813,825
At 31 August 2019	4,325,219	813,825	5,139,044
<b>Accumulated amortisation</b>			
At 1 September 2018	4,067,300	-	4,067,300
Charge for the year	128,960	-	128,960
At 31 August 2019	4,196,260	-	4,196,260
<b>Net book value at 31 August 2019</b>	128,960	813,825	942,785
<b>Net book value at 31 August 2018</b>	257,919	-	257,919

Amortisation of intangible assets is recognised within administrative expenses in the statement of comprehensive income. Assets under construction relate to the re-platforming of Marketplace, which is due to go live in the year-ending 31 August 2020. As a result of this, accelerated amortisation has been charged on elements of the existing platform in the year-ended 31 August 2019.

**ASOS MARKETPLACE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**8. DEFERRED TAX ASSET**

See note 13 for the Company's accounting policy on taxation.

	Accelerated capital allowances £
At 1 September 2017	129,770
Credit to the statement of comprehensive income	14,014
At 31 August 2018	<u>143,784</u>
Charge to the statement of comprehensive income	<u>(56,735)</u>
At 31 August 2019	<u>87,049</u>

There is an unprovided deferred tax asset of £54,232 (2018: £52,003). £54,232 relating to accelerated capital allowances of £298,632 (2018: £270,000) and £nil (2018: £706) to a bad debt provision, none of which is expected to reverse in the next 12 months.

**9. TRADE AND OTHER RECEIVABLES**

See note 13 for the Company's accounting policy on trade and other receivables.

	As at 31 August 2019 £	As at 31 August 2018 £
Trade and other receivables	101,343	111,814
Impairment of trade receivables	<u>(52,204)</u>	<u>(51,881)</u>
Trade receivables net of impairment	49,139	59,933
Amounts owed by group undertakings	<u>1</u>	<u>1</u>
	<u>49,140</u>	<u>59,934</u>

Included within trade and other receivables is accrued income totalling £45,600.

At 31 August 2019, the provision for impairment was £52,204 (2018: £51,881).

Movements in the provision for impairment of trade receivables are as follows:

	As at 31 August 2019 £	As at 31 August 2018 £
At start of year	51,881	42,937
Provided during the year	323	8,944
At end of year	<u>52,204</u>	<u>51,881</u>

**ASOS MARKETPLACE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

Creditors are non-interest bearing and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Amounts owed to group undertakings are unsecured, interest free and payable on demand.

	As at 31 August 2019 £	As at 31 August 2018 £
Amounts owed to group undertakings	2,895,500	1,944,064
Other creditors	89,757	122,898
Taxation	5,543	
	<u>2,990,800</u>	<u>2,066,962</u>

**11. CALLED UP SHARE CAPITAL**

	At 31 August 2019 Number of shares	At 31 August 2019 Nominal value £	At 31 August 2018 Number of shares	At 31 August 2018 Nominal value £
Authorised:				
Ordinary shares at £1 each	1	1	1	1
Alotted, issued and fully paid:				
Ordinary shares at £1 each	1	1	1	1

**12. CONTROLLING PARTY**

The Company's ultimate parent company and controlling party is ASOS Plc, a company incorporated in England and Wales. The consolidated financial statements produced by ASOS Plc are the only financial statements in which the results of the Company are included. Copies of the consolidated financial statements can be obtained from ASOS Plc, Greater London House, Hampstead Road, London, NW1 7FB.

**13. ACCOUNTING POLICIES**

The following principal accounting policies have been applied consistently in dealing with items which are considered material to the Company's financial statements.

**a) Revenue**

Revenue consists of commission, rental and promotion fees charged to sellers on the website.

Rental sales and promotion sales are recognised over the period to which they relate, and are deferred or accrued as appropriate. Commission sales are recognised on completion of the sales transaction and are recorded net of returns, with the appropriate amounts accrued and deferred due to monthly customer payment.

**ASOS MARKETPLACE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**13. ACCOUNTING POLICIES (CONTINUED)**

***b) Taxation***

The tax expense included in the statement of comprehensive income and statement of changes in equity comprises deferred tax. Deferred tax is charged or credited to the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the current or deferred tax is also recognised directly in equity.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates (and laws) that are expected to apply in the period when the liability is settled or the asset is realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities and where there is an intention to settle the balances on a net basis.

***a) Intangible assets***

The costs of acquiring and developing software that is not integral to the related hardware is capitalised separately as an intangible asset. This does not include internal website development and maintenance costs which are expensed as incurred unless representing a technological advance leading to future economic benefit. Capitalised software costs include external direct costs of material and services and the payroll and payroll-related costs for employees who are directly associated with the project.

Capitalised software development costs are stated at historic cost less accumulated amortisation. Amortisation is calculated on a straight-line basis over the assets' expected economic lives, normally between three to seven years. Software under development is held at cost less any recognised impairment loss.

***b) Foreign currency translation***

Transactions denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange at the reporting date. Exchange differences on monetary items are recognised in the statement of comprehensive income.

***c) Trade and other receivables***

Trade receivables are non-interest bearing and are initially recognised at fair value and subsequently measured at amortised cost less an allowance for expected credit losses. Such allowances are based on an individual assessment of each receivable, which is informed by past experience, and are recognised at amounts equal to the losses expected to result from all possible default events over the life of each financial asset. Management also performs analysis on a case by case basis for particular trade receivables with irregular payment patterns or history.

Amounts owed by group undertakings are unsecured, interest free and payable on demand.