

Company Number: 07289272

**ASOS MARKETPLACE LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**ASOS MARKETPLACE LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**ASOS MARKETPLACE LIMITED  
COMPANY INFORMATION  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**DIRECTORS:**

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  
40 Clarendon Road  
Watford  
Hertfordshire  
WD17 1JJ  
United Kingdom

**ASOS MARKETPLACE LIMITED  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2021**

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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 2021.

**DIRECTORS**

The Directors during the year ended 31 August 2021 and up to the date of signing the financial statements were:

N Beighton (resigned on 11 October 2021)  
M Dunn  
A Suchopar

**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 2021 was £274,555 (2020: £756,392). The Directors do not recommend the payment of a dividend for the year ended 31 August 2021 (2020: £nil).

**FINANCIAL RISK MANAGEMENT**

The Company's Treasury function seeks to reduce exposures to capital risk, liquidity risk, credit risk, interest rate risk and foreign currency risk, to ensure liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Company does not engage in speculative trading in financial instruments and transacts only in relation to underlying business requirements.

**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  
DIRECTOR'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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

The Directors are responsible for preparing the Annual Report and 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 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 also 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 their 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 22 February 2022.

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 2021**

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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 2021 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 2021; the statement of comprehensive income and 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**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**ASOS MARKETPLACE LIMITED**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASOS MARKETPLACE**  
**LIMITED (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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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, 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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2021 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 in respect of the financial statements, 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.

**ASOS MARKETPLACE LIMITED**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASOS MARKETPLACE**  
**LIMITED (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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*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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to tax regulations and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or profits and management bias in significant accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Identifying and testing journal entries based on our risk assessment, in particular any journal entries posted with unusual account combinations or posted by senior management;
- Evaluating whether there was evidence of management bias within estimates and judgements;
- Enquiry of management around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing the financial statement disclosures and testing these to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.



**ASOS MARKETPLACE LIMITED  
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASOS MARKETPLACE  
LIMITED (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**Other required reporting**

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**Companies Act 2006 exception reporting**

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

- we have not obtained 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.

**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: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Claire Turner (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Watford  
22 February 2022

**ASOS MARKETPLACE LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

		Year ended 31 August 2021 £	Year ended 31 August 2020 £
<b>Revenue</b>	4	1,001,037	1,503,957
<b>Gross profit</b>		1,001,037	1,503,957
<b>Administrative expenses</b>		(818,502)	(741,044)
<b>Operating profit</b>	5	182,535	762,913
<b>Finance income</b>	6	1,233	-
<b>Profit before income tax</b>		183,768	762,913
<b>Income tax credit/(charge)</b>	7	90,787	(6,521)
<b>Profit and total comprehensive income for the financial year</b>		274,555	756,392

**ASOS MARKETPLACE LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Called up share capital £	Accumulated losses £	Total shareholders' deficit £
<b>At 1 September 2019</b>		1	(1,162,443)	(1,162,442)
Profit and total comprehensive income for the financial year		-	756,392	756,392
<b>At 31 August 2020</b>		<u>1</u>	<u>(406,051)</u>	<u>(406,050)</u>
Profit and total comprehensive income for the financial year		-	274,555	274,555
<b>At 31 August 2021</b>	12	<u>1</u>	<u>(131,496)</u>	<u>(131,495)</u>

**ASOS MARKETPLACE LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 AUGUST 2021**

	Note	31 August 2021 £	31 August 2020 £ (Restated)
<b>Non-current assets</b>			
Intangible assets	8	2,833,040	1,698,134
Deferred tax asset	9	165,771	80,527
		<u>2,998,811</u>	<u>1,778,661</u>
<b>Current assets</b>			
Trade and other receivables	10	337,115	381,943
Cash and cash equivalents		91,746	966,611
		<u>428,861</u>	<u>1,348,554</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	11	(3,559,167)	(3,533,265)
<b>Net current liabilities</b>		<u>(3,130,306)</u>	<u>(2,184,711)</u>
<b>Total assets less current liabilities</b>		<u>(131,495)</u>	<u>(406,050)</u>
<b>NET LIABILITIES</b>		<u>(131,495)</u>	<u>(406,050)</u>
<b>Equity</b>			
Called up share capital	12	1	1
Accumulated losses		(131,496)	(406,051)
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>(131,495)</u>	<u>(406,050)</u>

Notes 1 to 15 on pages 11 to 19 form part of the financial statements. Please see Note 13 for details of the restatement.

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 8 to 19, were approved by the Board of Directors and authorised for issue on 22 February 2022 and were signed on its behalf by:



M Dunn  
Director

**ASOS MARKETPLACE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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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 15, and represent those policies which apply to the preparation of the financial statements for the year ended 31 August 2021 under FRS 101. Various new accounting standards and amendments were issued during the year, none of which have had an impact on the current period. See Note 3 for further details.

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. The Company has taken advantage of 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.
- All applicable exempted paragraphs of IFRS 15, 'Revenue from contracts with customers'

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 as applicable to companies using FRS 101.

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:

***Capitalisation criteria***

Where assets are acquired or developed in-house, management exercises judgement in determining that the asset meets the criteria to be capitalised as either an intangible or tangible fixed asset.

**ASOS MARKETPLACE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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

***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 8 on page 15.

***Impairment of Intangible assets***

Intangible assets 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. It is management's judgement that there are no indicators for impairment and as such, a value in use assessment was not deemed necessary, therefore there are no significant estimates. See note 8 on page 15. There were no impairments recognised during the year (2020: £nil).

**3. CHANGES TO ACCOUNTING POLICY**

**Standards, amendments and interpretations to standards that are effective and have been adopted by the Company**

The following new standards, and amendments to standards have been adopted by the Company for the first time during the period commencing 29 January 2021:

- Amendments to References to the Conceptual Framework in IFRS Standards
- Amendments to IFRS 3: Business Combination
- Amendments to IAS 1 and IAS 8: Definition of Material

The following standards have been published and are mandatory for accounting periods beginning after 1 September 2020 but have not been early adopted by the Company and could have an impact on the Company financial statements:

- Amendments to IAS 1: Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Amendments to IAS 1: Classification of Liabilities as Current or Non-current – Deferral of Effective Date – effective 1 January 2023
- Amendments to IFRS 3: Business Combinations – Reference to the Conceptual Framework – effective 1 January 2022
- Amendments to IAS 16: Property, Plant and Equipment – effective 1 January 2022
- Amendments to IAS 37: Provisions, Contingent Liabilities and Contingent Assets – effective 1 January 2022
- Annual Improvements to IFRS Standards 2018-2020 Cycle – 1 January 2022

The impact of new accounting standards, which have been adopted for the first time during the year commencing 1 September 2020, have not had a material impact on the Company. The standards which have been published but not yet adopted are not expected to have a material impact on the Company.

**Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company**

There have been no changes to standards published that are applicable to the Company.

**ASOS MARKETPLACE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**4. SEGMENTAL ANALYSIS**

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

See note 15 for the Company's accounting policy on revenue recognition.

	Year ended 31 August 2021		
	UK £	International £	Total £
Commission sales	709,489	225,109	934,598
Rental sales	6,669	1,933	8,602
Promotion sales	44,799	13,038	57,837
Total sales	<u>760,957</u>	<u>240,080</u>	<u>1,001,037</u>
Administrative expenses			(818,502)
Finance income/(expense)			1,233
Profit before taxation			<u>183,768</u>

	Year ended 31 August 2020		
	UK £	International £	Total £
Commission sales	1,161,889	179,901	1,341,790
Rental sales	100,781	17,562	118,343
Promotion sales	32,293	11,531	43,824
Total Sales	<u>1,294,963</u>	<u>208,994</u>	<u>1,503,957</u>
Administrative expenses			(741,044)
Finance income/(expense)			-
Profit before taxation			<u>762,913</u>

**ASOS MARKETPLACE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**5. OPERATING PROFIT**

Operating profit for the year ended 31 August 2021 of £182,535 (2020: £762,913) is stated after charging amortisation of intangible assets of £133,065 (2020: £85,972) and recharged wages and salaries totalling £427,068 (2020: £204,286) as summarised below:

	Year ended 31 August 2021 £	Year ended 31 August 2020 £
Wages and salaries	376,770	178,763
Social security costs	36,998	19,732
Other pension costs	13,300	5,791
	<u>427,068</u>	<u>204,286</u>

The Company's monthly average number of employees was 14 (2020: 14) during the year under review, no Directors received remuneration in respect of their services as Directors of the Company (2020: none).

The Company's audit fees were borne by ASOS.com Limited, whose financial statements for the year ended 31 August 2021 show costs relating to the statutory audit of the Company of £8,800 (2020: £8,500).

**6. FINANCE INCOME**

Finance income is recognised in the statement of comprehensive income as incurred.

	Year ended 31 August 2021 £	Year ended 31 August 2020 £
Interest received	<u>1,233</u>	<u>-</u>

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

See note 15 for the Company's accounting policy on taxation.

	Year ended 31 August 2021 £	Year ended 31 August 2020 £
<b>Current tax</b>		
Current tax on profits for the year	-	-
Adjustments in respect of prior year corporation tax	<u>(5,543)</u>	<u>-</u>
	(5,543)	-
<b>Deferred tax</b>		
Derecognition of previously recognised deductible temporary differences	21,374	65,770
Recognition of previously unrecognised deferred tax asset	-	(59,249)
Effect of changes in tax rates	(31,190)	-
Prior year adjustment	<u>(75,428)</u>	<u>-</u>
	(85,244)	6,521
Income tax (credit)/charge	<u>(90,787)</u>	<u>6,521</u>



**ASOS MARKETPLACE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**7. INCOME TAX (CREDIT)/CHARGE (CONTINUED)**

**Reconciliation of tax expense**

The tax assessed for the year is lower (2020: lower) than the standard rate of corporation tax in the UK 19.00% (2020: 19.00%). The differences are explained below:

	Year ended 31 August 2021 £	Year ended 31 August 2020 £
Profit before income tax	183,768	762,913
Profit before tax multiplied by the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	34,916	144,953
Utilisation of tax losses under a claim for group relief	(13,542)	(77,671)
Permanent differences	-	5
Recognition of previously unrecognised deferred tax asset	-	(54,232)
Prior year adjustment	(80,971)	-
Changes in tax rates	(31,190)	(6,534)
Income tax (credit) / charge	(90,787)	6,521

On 3 March 2021 the Chancellor of the Exchequer announced the intention to increase the corporation tax rate from 19% to 25% effective from 1 April 2023. This has now been substantively enacted and as a result a rate change adjustment has arisen in respect of deferred tax which is expected to unwind at the higher rate of 25%.

**8. INTANGIBLE ASSETS**

Intangible assets comprise of software costs in relation to the Marketplace website. See note 15 for the Company's accounting policy on intangible assets.

	Software Development £	Assets Under Construction £	Total Intangible Assets £
<b>Cost</b>			
At 1 September 2020	4,325,220	1,538,172	5,863,392
Prior period adjustment (see note 13)	-	116,974	116,974
At 1 September 2020 (restated)	4,325,220	1,655,146	5,980,366
Additions	479,113	788,858	1,267,971
Transfers	2,444,004	(2,444,004)	-
At 31 August 2021	7,248,337	-	7,248,337
<b>Accumulated amortisation</b>			
At 1 September 2020	4,282,232	-	4,282,232
Charge for the year	133,085	-	133,085
At 31 August 2021	4,415,297	-	4,415,297
<b>Net book value at 31 August 2021</b>	<b>2,833,040</b>	<b>-</b>	<b>2,833,040</b>
Net book value at 31 August 2020 (restated)	42,988	1,655,146	1,698,134

**ASOS MARKETPLACE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**9. DEFERRED TAX ASSET**

See note 15 for the Company's accounting policy on taxation.

	Accelerated capital allowances £
At 1 September 2019	87,049
Charge to the statement of comprehensive income	<u>(6,522)</u>
At 31 August 2020	<u>80,527</u>
Charge to the statement of comprehensive income	<u>85,244</u>
At 31 August 2021	<u>165,771</u>

There is an unprovided deferred tax asset of £nil (2020: £nil).

**10. TRADE AND OTHER RECEIVABLES**

See note 15 for the Company's accounting policy on trade and other receivables.

	As at 31 August 2021 £	As at 31 August 2020 £
Trade and other receivables	147,118	197,018
Impairment of trade receivables	<u>(59,237)</u>	<u>(57,533)</u>
Trade receivables net of impairment	87,881	139,485
Amounts owed by group undertakings	-	1
Corporation tax asset	<u>249,234</u>	<u>242,457</u>
	<u>337,115</u>	<u>381,943</u>

Included within trade and other receivables is accrued income totalling £52,613 (2020: £79,231).

At 31 August 2021, the provision for impairment was £59,237 (2020: £57,533).

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

	Year ended 31 August 2021 £	Year ended 31 August 2020 £
At start of year	57,533	52,204
Provided during the year	<u>1,704</u>	<u>5,329</u>
At end of year	<u>59,237</u>	<u>57,533</u>

**ASOS MARKETPLACE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**11. 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 2021 £	As at 31 August 2020 £ (Restated)
Amounts owed to group undertakings	3,519,607	3,481,111
Other creditors	30,557	39,278
Accruals	9,003	12,876
	<u>3,559,167</u>	<u>3,533,265</u>

See note 13 for detail around the prior period adjustment.

**12. CALLED UP SHARE CAPITAL**

	At 31 August 2021 Number of shares	At 31 August 2021 Nominal value £	At 31 August 2020 Number of shares	At 31 August 2020 Nominal value £
Authorised:				
Ordinary shares at £1 each	1	1	1	1
Allotted, issued and fully paid:				
Ordinary shares at £1 each	1	1	1	1

**13. PRIOR PERIOD ADJUSTMENT**

During the period Management identified three invoices relating to an under-construction platform which had been recorded in the incorrect period. The correction of these has resulted in an increase in intangible assets under construction of £116,974 and an increase in intercompany payables of £116,974 for the year ended 31 August 2020.

The impact of the prior period adjustment on the Company's historic financial performance is as follows:

Statement of Financial Position (extract)	31 August 2020 As previously reported	Movement	31 August 2020 (Restated)
£000s			
<b>Non-Current assets</b>			
Intangible assets	1,581,160	116,974	1,698,134
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	(3,416,291)	(116,974)	(3,533,265)

There was no impact to the Company's profit as the related assets were under construction and therefore no amortisation was chargeable.

**ASOS MARKETPLACE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**14. CONTROLLING PARTY**

The Company's ultimate parent company and controlling party is ASOS Plc, a company incorporated in England and Wales. The immediate parent company is ASOS Intermediate Holdings Limited, 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.

**15. 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 are recognised over the month the rental relates and promotion sales are recognised on completion of the promotional activity 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.

**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.

**c) 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.

**ASOS MARKETPLACE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**15. ACCOUNTING POLICIES (CONTINUED)**

**d) 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.

**e) Cash**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**f) Trade and other receivables**

Trade and other 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.

**g) Trade creditors**

Creditors 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.

**h) Equity**

Ordinary shares are classified as equity.