

AUROLA

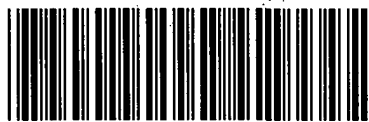
FASHIONS

Oasis and Warehouse Limited

Directors' Report and Financial Statements

For the period 4 March 2014 to 28 February 2015

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Company Registered Number: 7410874 (England and Wales)

Oasis and Warehouse Limited

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Oasis and Warehouse Limited
Company information

Directors	Elizabeth Evans Sanam Soufipour
Secretary	Healons Secretaries Limited
Company number	7410874
Registered office	The Triangle Stanton Harcourt Industrial Estate Stanton Harcourt Witney Oxfordshire OX29 5UT
Auditor	KPMG LLP Arlington Business Park Theale, Reading, RG7 4SD
Banker	Barclays Bank plc 1 Churchill Place London E14 5HP
Solicitor	Field Fisher Waterhouse LLP 5th Floor, Free Trade Exchange 37 Peter Street Manchester M2 5GB White & Case LLP 5 Old Broad Street London EC2N 1DW

Oasis and Warehouse Limited

Strategic Report

For the period 4 March 2014 to 28 February 2015

Strategy and Objectives

The principal activities of the Oasis and Warehouse Group are the origination and production of exclusive ladies' clothing and fashion accessories under the 'Oasis', 'Warehouse' and 'Bastyan' brand names for sale through its own retail outlets and through omni channel and wholesale in the UK and Europe and to franchisees for sale through outlets in Europe, the Middle East, the Far East and South America.

Business Model

The objective of the Oasis and Warehouse Group is to grow boutique brands which have high brand awareness and differentiate themselves in the market through product innovation, customer experience and an omni channel strategy. This objective will be to deliver growth of brand performance and leveraging existing assets while continuing to exploit the significant opportunity offered by development of new stores, concessions and digital channels both in the UK and internationally.

Oasis and Warehouse Group delivered a profit after tax for the period of £1.1 million, compared to a loss of 0.8 million in the previous year. This progress was largely driven by the Oasis brand achieving a profit after tax of £5.5 million. The Group also achieved a combined online sales increase of 20% in 2014/15.

The Group continued with its investment strategy and in the year invested £4.7m, largely focused on flagship store refurbishments, a new merchandising system, IT systems and infrastructure.

The directors use a number of key performance indicators which they consider are effective in measuring delivery of their strategy, and which assist in the management of the business. They assess individual store performance by monitoring changes in sales, margins and profitability.

The Republic of Ireland continued to be economically challenging. In the current period Warehouse Fashion Ireland Limited applied and was granted the protection of the court and appointment of an examiner for the period from 18 November 2014 to its conclusion on 25 February 2015. The basis for the court approval was that the company's prospect of survival would be increased with the repudiation of onerous lease/rent reduction to market levels and agreed scheme of arrangement with its secured and unsecured creditors.

The Examiners Scheme of arrangement was approved by the Court with an effective date of Thursday 26th February 2015. The scheme was underpinned by an investment by way of short term loan from the investor and parent company Warehouse Fashions Holdings Limited.

Following the formal exit from Examinership, Warehouse Fashion Ireland Limited continues to trade through 5 of its 6 solus stores (the consensual surrender has allowed trade to continue in the short term under a revised licence agreement) and 8 of its 8 concession locations.

During the 2014/15 period, the shares held by Oasis and Warehouse Limited in Aurora Fashions Asia Limited (100%) were transferred 50% to Oasis Fashions Limited and 50% to Coast Fashions Limited (effected 14 March 2014). Aurora Fashions Asia Limited is accounted for on an equity basis within the respective company financial statements.

This follows the internal restructure reported during the 2013/14 period (effected 3 March 2014) where shares held by Aurora Fashions Finance Limited in Oasis Fashions Holdings Limited, Warehouse Fashions Holdings Limited, A Fashions Sweden AB and Bastyan Fashions Limited were transferred to Oasis and Warehouse Limited.

KPI's

Oasis and Warehouse total sales combined improved by £1.6m, 0.5% and gross margin improved by 2.5% pts driven by an increase in full price sales.

Total Group turnover declined due to the restructure of Aurora Fashions Asia Limited to £305.7 million (2014: £316.7 million).

The profit/(loss) after tax for the period was £1.1 million (2014: -£0.8 million) after taking into account net finance costs of £0.4 million (2014: £2.2 million). Operating profit before exceptional items for the period was £2.4 million (2014: £6.8 million).

Oasis and Warehouse Limited

Strategic Report (continued)

For the period 4 March 2014 to 28 February 2015

Future developments

Aurora Fashions Group Limited is the holding company for the Aurora group of companies (the "Aurora Group"). Following a Group reconstruction and amendment to the Senior facilities agreement effected 2 October 2015 Kaupthing Bank hf's holding of shares in Aurora Fashions Group Limited comprises 100% of all share capital by nominal value and 100% of the voting rights across all share capital. At 2 October 2015 in a share for share exchange Kaupthing Bank hf transferred its shares in Karen Millen Group Limited to Aurora Fashions Group Limited who in turn transferred the shares to Aurora Fashions Holdings Limited and in turn to Aurora Fashions Finance Limited. Details of the Group reconstruction and amendment agreement are contained in note 1.1 Basis of prep and note 26 Post balance sheet events.

In March 2013 the Aurora Group announced the next phase of a fundamental reshaping of its business. Further to this announcement the Group continues to brand align its remaining shared service functions and respective employees (both during 2014/15 and 2015/16) which currently operate within Aurora Fashions Services Limited an entity owned 50% by the OWL Group 25% by the Coast Group and 25% by the Karen Millen Group.

The internal restructure as outlined will further enable the main Aurora group trading brands; Oasis, Warehouse and Coast, to operate independently and focus on the continued development of the brands and omni channel presence in both the UK and overseas.

Principal Risks and Uncertainties

Changes in fashion trends

The principal risk faced by the Group is that the product offering declines in popularity, leading to reduced revenues, margins and cash flow. Across the Group the risk is managed by operating a buying and merchandising model which focuses on generating fashionable product lines, short lead times and low stock levels.

Supply chain

The Group is dependent on the ability of its suppliers to manufacture its products to the desired quality and standards and on its logistics providers to ensure it reaches the required location on a timely basis. The standards, arrangements and contingency plans are under constant review by management.

Liquidity risk

The Aurora Group as of 2 October 2015 is 100% owned by Kaupthing Bank hf. Following an Amendment Agreement effected 2 October 2015, resulting in 3 banking subgroups - the Oasis and Warehouse sub group, the Coast sub group and the Karen Millen sub group each of which meets its day to day working capital requirements and medium term funding requirements through senior and revolving facilities with Aurora Fashions Finance Limited, which is repayable in 2020 and subject to certain covenant requirements. The terms of the facility have been amended as at October 2013, April 2014, December 2014 and October 2015; refer to note 1.1. The treasury management function is undertaken on a sub group basis. The senior and revolving facilities include the need to meet certain covenant tests on a quarterly basis. The adequacy of the facilities and the achievability of the covenants are monitored regularly as part of the cash flow monitoring process. In turn the existing facilities agreement between Aurora Fashions Finance Limited and Kaupthing Bank hf shall continue in effect following an amendment letter executed in November 2015 which gives agreement to extend the termination date to 30th June 2017 in respect of each facility. In turn, the standstill period referred to in the main SFA is also extended and shall end on 30th June 2017. The result is the existing lender having agreed to forebear any potential breach, misrepresentation or default in respect of the existing facility commencing on the restructuring date 2 October 2015 to the cessation date of 30th June 2017.

The term debt is allocated to the sub groups with £30m Oasis and Warehouse Group, this is further augmented with a Revolving credit facility of £10m available to the Oasis and Warehouse Group. The resultant Group reconstruction allows the 3 banking sub groups autonomy and independence in formulating their future Brand strategy.

Going Concern

Note 1.1 to the financial statements sets out the basis of preparation of the financial statements. As explained in note 1.1, having taken account of the Group's profit for the period, the directors consider that it continues to be appropriate to prepare the financial statements on the basis that the Group is a going concern.

Interest rate risk

The Group's policy is to minimise the impact of interest rate volatility on interest cost to protect earnings. This is achieved by reviewing both the amount of floating indebtedness over a certain period of time and its sensitivity to interest rate fluctuations. From time to time, the Group may hedge its interest rate exposure in order to fix the Group's exposure to interest rates on floating debt.

Currency risk

The Group is exposed to foreign currency risks on sales and purchases. Exposures are primarily to the US Dollar and the Euro.

Forecast transactional exposures are reviewed and hedged based on forecasted levels of foreign currency transactions. Hedging is achieved using forward exchange contracts and other suitable derivative products.

By Order of the Board



Sanam Soufipour
Director

26 Nov
2015

Oasis and Warehouse Limited

Directors' Report

For the period 4 March 2014 to 28 February 2015

The directors present their report and the audited financial statements of Oasis and Warehouse Limited ("the Company") and Oasis and Warehouse Limited and its subsidiary undertakings ("the Oasis and Warehouse Group") for the period from 4 March 2014 to 28 February 2015.

The company changed its name from "Aurora Central Services Limited" to "Oasis and Warehouse Limited" on 30 April 2014.

The Company is a member of the Aurora Fashions Group Limited (together with its subsidiaries "the Aurora Group").

The current reporting period relates to the 51 week and 5 day period from 4 March 2014 to 28 February 2015. The prior period covers the 52 week and 2 day period from 3 March 2013 to 3 March 2014.

Results and dividend

The Group's results are set out on page 9.

The directors do not recommend the payment of a dividend (2014 : £nil).

Post balance sheet events

See Future developments included in the 'Strategic Report'.

The Aurora Group underwent a Group reconstruction and Amendment Agreement effected 2 October 2015. This was to facilitate 3 separate banking sub groups, the Oasis and Warehouse subgroup, the Coast sub group and the Karen Millen sub group each of which meets its day to day working capital requirements and medium term funding requirements through term debt and revolving credit facilities with Aurora Fashions Finance Limited, who in turn retains a senior facilities agreement with Kaupthing Bank hf. (the "Bank"). Under the original terms of the senior facilities agreement ("SFA"), loan amounts became repayable in stages over the period to January 2015 and were subject to certain financial and other covenant requirements. The terms of the facility have been amended as at December 2014 and October 2015 to permit the senior loan repayments to be deferred for 4 years, with 50% of Facility A falling due in 2019, and the remaining A and B Facilities payable on the termination date in 2020. There is the option to roll up interest that falls due in years 1-3 or to cash pay, and thereafter interest will be cash paid to October 2020. Future financial covenant targets were adjusted through to the maturity of the loan. The current facility expires in 2020 at which point the directors consider that a new finance facility will be available. The financial conditions are detailed in Note 26 to the Financial statements 'Post Balance Sheet Events'.

Directors

The current Directors of the Company are listed on page 2.

The changes in Directors since the start of the period are:

Derek Lovelock	resigned 13 May 2014
Richard Glenville	resigned 14 May 2014
Mike Shearwood	resigned 27 October 2014
Elizabeth Evans	appointed 27 October 2014
Sanam Soufipour	appointed 27 October 2014

Employees

Considerable importance is placed on communication, involvement and motivation of the employees and management of the Oasis and Warehouse Group. Two way communication ensures that employees are kept informed of the performance of the Oasis and Warehouse Group and of any key initiatives or projects, through regular briefings and bulletins.

The Oasis and Warehouse Group is committed to the continuing development of its employees and the implementation of policies that enable them to contribute to the performance and long term effectiveness of the organisation. Every opportunity is taken to reinforce our values throughout the business.

Equality of opportunity is encouraged irrespective of sex, marital status, colour, race, ethnic origin, nationality, religion, age or disability. The same opportunities are offered to disabled people as to all others in respect of recruitment and career advancement. Employees who become disabled will, wherever possible, be retained, rehabilitated and retrained.

Disclosure of information to auditor

The directors who held office at the date of approval of this report of the board confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Oasis and Warehouse Limited
Directors' Report (continued)

For the period 4 March 2014 to 28 February 2015

Political and charitable contributions

The Oasis and Warehouse Group made charitable donations of £1,250 (2014: £26,684) and no political contributions during the period (2014: £nil).

By Order of the Board



Sanam Soufipour
Director

26 NOV 2015

Company registered number: 7410874 (England and Wales)

Oasis and Warehouse Limited

Statement of Directors' Responsibilities

For the period 4 March 2014 to 28 February 2015

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Oasis and Warehouse Group and Company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 Oasis and Warehouse Group and Company and of their profit or loss for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Oasis and Warehouse Group and Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Oasis and Warehouse Limited

We have audited the financial statements of Oasis and Warehouse Limited for the period ended 28 February 2015, set out on pages 9 to 28. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

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

Scope of the audit of financial statements

A description of the scope of an audit of financial statements is now provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent company's affairs as at 28 February 2015 and of the Group's profit for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Jonathan Russell (Senior Statutory Auditor)
for and on behalf of KPMG LLP

Chartered Accountants
Arlington Business Park, Theale,
Reading, RG7 4SD

27th November 2015

Oasis and Warehouse Limited

Consolidated profit and loss account

For the period 4 March 2014 to 28 February 2015

	Notes	4 March 2014 to 28 February 2015 £m	3 March 2013 to 3 March 2014 £m
Turnover: group and share of joint venture's turnover		315.4	320.5
Less: share of joint venture's turnover		<u>-9.7</u>	<u>-3.8</u>
Group Turnover	2	305.7	316.7
Cost of sales		<u>-121.5</u>	<u>-133.9</u>
Gross profit		184.2	182.8
Distribution costs		-134.9	-131.7
Administrative expenses		<u>-46.9</u>	<u>-44.3</u>
Operating profit	3	2.4	6.8
Costs of a fundamental reorganisation or restructuring	4	<u>-1.6</u>	<u>-4.1</u>
Group profit on ordinary activities before interest and taxation		0.8	2.7
Share of operating profit in joint venture		0.2	-
Interest receivable and similar income	7	0.6	1.8
Interest payable and similar charges	8	<u>-1.0</u>	<u>-4.0</u>
Profit on ordinary activities before taxation		0.6	0.5
Tax on profit on ordinary activities	9	<u>0.5</u>	<u>-1.3</u>
Profit/(loss) after taxation for the financial period	19	<u><u>1.1</u></u>	<u><u>-0.8</u></u>

The notes on pages 14 to 28 also form part of these financial statements.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

Oasis and Warehouse Limited

Consolidated balance sheet

As at 3 March 2014

	Note	28 February 2015 £m	3 March 2014 £m
Fixed assets			
Intangible assets	10	19.1	20.4
Tangible fixed assets	11	<u>13.0</u>	<u>15.4</u>
		<u>- 32.1</u>	<u>35.8</u>
Current assets			
Stocks	13	30.7	28.5
Debtors	14	32.3	33.5
Cash at bank and in hand		<u>15.3</u>	<u>13.7</u>
		78.3	75.7
Creditors : amounts falling due within one year	15	<u>-75.6</u>	<u>-78.9</u>
Net current assets/(liabilities)		<u>2.7</u>	<u>-3.2</u>
Total assets less current liabilities		34.8	32.6
Creditors : amounts falling due after more than one year	16	<u>-1.6</u>	<u>-2.3</u>
Net assets		<u>33.2</u>	<u>30.3</u>
Capital and reserves			
Called up share capital	18	99.9	99.9
Share premium account	19	2.5	-
Profit and loss account	19	<u>-69.2</u>	<u>-69.6</u>
Shareholder's funds	20	<u>33.2</u>	<u>30.3</u>

The notes on pages 14 to 28 also form part of these financial statements.

These financial statements were approved by the board of directors on 26 Nov 2015 and signed on its behalf by:



Sanam Soufipour
Director

Company Registered Number: 7410874 (England and Wales)

Oasis and Warehouse Limited

Company balance sheet

As at 3 March 2014

	Notes	28 February 2015 £m	3 March 2014 £m
Fixed assets			
Investments	12	90.9	95.4
Current assets			
Debtors	14	10.6	6.9
Cash at bank and in hand		11.4	10.2
		22.0	17.1
Creditors : amounts falling due within one year	15	-14.6	-12.3
Net current assets		7.4	4.8
Total assets less current liabilities		98.3	100.2
Net assets		98.3	100.2
Capital and reserves			
Called up share capital	18	99.9	99.9
Share premium account	19	2.5	-
Profit and loss account	19	-4.1	0.3
Shareholder's funds	20	98.3	100.2

The notes on pages 14 to 28 also form part of these financial statements.

These financial statements were approved by the board of directors on 26 Nov 2015 and signed on its behalf by:



Sanam Soufipour
Director

Company Registered Number: 7410874 (England and Wales)

Oasis and Warehouse Limited

Consolidated cash flow statement

For the period 4 March 2014 to 28 February 2015

		4 March 2014 to 28 February 2015	3 March 2013 to 3 March 2014
	Notes	£m	£m
Cash flow from operating activities	21	5.5	-2.6
Returns on investments and servicing of finance	22	-0.4	-2.4
Taxation		-	0.1
Capital expenditure and financial investment	22	-5.0	-5.1
Acquisitions and disposals	22	-0.1	-
Cash outflow before management of liquid resources and financing		<u>-0.0</u>	<u>-10.0</u>
Financing	22	1.6	-
Increase/(decrease) in cash in the period	23	<u>1.6</u>	<u>-10.0</u>

The notes on pages 14 to 28 also form part of these financial statements.

Oasis and Warehouse Limited

Consolidated statement of total recognised gains and losses

For the period 4 March 2014 to 28 February 2015

	4 March 2014 to 28 February 2015 £m	3 March 2013 to 3 March 2014 £m
Profit/(loss) after taxation for the financial period	1.1	-0.8
Differences in the net investment in foreign enterprises arising from changes in foreign currency exchange rates	-0.7	0.1
Total recognised gains and losses for the financial period	<u>0.4</u>	<u>-0.7</u>

The notes on pages 14 to 28 also form part of these financial statements.

Oasis and Warehouse Limited

Notes forming part of the financial statements

For the period 4 March 2014 to 28 February 2015

1. Accounting policies

1.1 Basis of preparation - Going Concern

Aurora Fashions Group Limited is the holding company for the Aurora group of companies (the "Aurora Group"). Following a Group reconstruction and amendment to the Senior facilities agreement effected 2 October 2015 Kaupthing Bank hf's holding of shares in Aurora Fashions Group Limited comprises 100% of all share capital by nominal value and 100% of the voting rights across all share capital. At 2 October 2015 in a share for share exchange Kaupthing Bank hf transferred its shares in Karen Millen Group Limited to Aurora Fashions Group Limited who in turn transferred the shares to Aurora Fashions Holdings Limited and in turn to Aurora Fashions Finance Limited.

The Oasis and Warehouse Group made a profit for the year of £1.1 million (2014: loss of -£0.8 million) and had net current assets of £2.7 million (2014: net current liabilities of -£3.2 million) and net assets of £33.2 million (2014: £30.3 million).

Notwithstanding this, the directors have prepared the financial statements on a going concern basis for the reasons set out below:

The Aurora Group underwent a Group reconstruction and amendment agreement effected 2 October 2015. As described in note 26, 'Post balance sheet events', the Aurora Group 'banking sub groups' have secured an extension on these facilities, which are now repayable part October 2019 the balance on the termination date October 2020. The facilities are subject to certain financial and other covenant requirements. The treasury management function is now undertaken on an individual subsidiary/banking group level. Various companies in the 'Banking subgroups' only have granted fixed and floating charges over its sister Group's assets and undertakings, under a debenture granted to secure the banking facilities.

The directors have prepared projected cash flows for the period ending approximately 15 months from the approval of these financial statements (the "Projections"). The Projections are based on certain assumptions and show that the Aurora Group is capable of operating within the facilities currently available and complying with the covenant requirements for the full term covered by the Projections.

The directors of Aurora Fashions Group Limited have tested the impact of variations from the Projections by assessing the adequacy of the Aurora Group's funds, under a combination of different scenarios constructed to reflect reasonably possible downside risks to the assumptions contained within the Projections. The directors recognise that in the current economic environment, the main risks relate to the achievability of the Aurora Group's forecast sales and margins and the timing of cash flows going forward. In such downside scenarios, the ability to continue to operate would be dependent on maintaining compliance with the financial covenants by implementing various cost saving initiatives within the timescales required. The directors consider that, in all reasonable downside scenarios, there are cost saving measures available to the Aurora Group to implement which would avoid breaching the terms of any financial covenant.

Certain companies within the Aurora Fashions Group, The 'Banking subgroups' are party to the terms of a Senior Facilities Agreement (the "SFA") with Aurora Fashions Finance Limited (AFFL), exclusively as a borrower, the borrowers are Oasis and Warehouse Limited, Coast Debtco Limited and Karen Millen Holdings Limited. Each banking sub group/silo under the obligations of their SFA has a number of group companies party to the SFA as Guarantors, the values of which are disclosed within the respective company accounts. Such guarantee shall continue under the restructured bank loans. Under the terms of the cross guarantee, an event of default in the Company or certain other companies in the sub group would mean that the lender, AFFL, has the ability to call on any of the other companies within the respective banking sub groups to step in to fulfil the obligations of that borrower/guarantor. An event of default could include an entity becoming insolvent. It should be noted that the call under the guarantee is on demand, and as such the demand is at the discretion of AFFL in its capacity as sole Lender.

The going concern assessment performed by the directors of the Aurora Group therefore also depends on the going concern assessment performed by the directors of the respective sub groups, Oasis and Warehouse, Coast and Karen Millen. Accordingly, the directors have satisfied themselves with the going concern assessment performed by the directors of the respective sub groups. The directors, having made reasonable enquiries, consider that the Aurora Fashions Group has sufficient facilities in order to meet its projected obligations as they fall due.

Given the facts and circumstances described above and after making enquiries, the directors have a reasonable expectation that the Company and the Aurora Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

1.2 Basis of Preparation - Accounting Convention

The financial statements are prepared using generally accepted accounting principles in the UK.

Oasis and Warehouse Limited

Notes forming part of the financial statements (continued)

For the period 4 March 2014 to 28 February 2015

1. Accounting policies (continued)

1.3 Basis of consolidation

The consolidated financial statements include the results of the Company and its subsidiary undertakings made up to 28 February 2015. The Company heads the Oasis and Warehouse Limited group of companies, a sub group formed in the prior financial year within the Aurora group, consisting of companies that have always formed part of the Aurora group.

In the prior period, as part of the restructuring of the Aurora Group, the Oasis and Warehouse subgroups along with Bastyan Fashions Limited, Aurora Fashions Asia Limited and A Fashions Sweden AB, which had all formed part of the larger Aurora Fashions Group Limited group of companies, were transferred to the new Oasis and Warehouse Limited subgroup on terms that did not meet the requirements of Schedule 6 paragraph 10 of the Companies Act 2006 The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008 No. 410). Consequently FRS 6 requires that acquisition accounting principles should be used in respect of those transactions and that the assets and liabilities of the subsidiaries involved should be presented at fair value and to recognise any resulting goodwill.

The directors consider that to apply acquisition accounting to any part of the prior year reorganisation would fail to give a true and fair view of the Oasis and Warehouse Limited group's state of affairs or results for shareholders since they have had a continuing interest in the group's business both before and after the demerger. Had this departure not been necessary the effect on these financial statements would have been to consolidate the financial statements of the subsidiary undertakings based on the fair values of the related assets and liabilities at 3 March 2014. Owing to the number and complexity of transactions involved, it is not practicable to quantify the effect of this departure.'

Merger accounting has been applied to the financial statements of the Oasis and Warehouse group following the restructure. In order for the financial statements to present a true and fair view of the Oasis and Warehouse group, the results are presented as though the sub group has always existed. The acquisition method of accounting has been adopted for other transactions. Under this method, the results of subsidiary undertakings acquired or disposed of in the period are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

An associate is an undertaking in which the Group has a long term interest, usually from 20% to 50% of the equity voting rights, and over which it exercises significant influence. A joint venture is an undertaking in which the Group has a long-term interest and over which it exercises joint control. The Group's share of the profits less losses of associates and of joint ventures is included in the consolidated profit and loss account and its interest in their net assets is included in investments in the consolidated balance sheet.

Where a group company is party to a joint arrangement which is not an entity, that company accounts directly for its part of the income and expenditure, assets, liabilities and cash flows. Such arrangements are reported in the consolidated financial statements on the same basis.

Under section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

1.4 Turnover

Turnover represents the net value of goods sold, services provided or royalties received excluding value added tax, delivered to third party customers in the accounting period. Goods are deemed to have been delivered to customers when the customer has access to the significant benefits inherent in the goods and the exposure to the risks inherent in these benefits. Services are deemed to be delivered when and to the extent that the group has met its obligations under its service contracts.

1.5 Intangible fixed assets and amortisation

On the acquisition of a business, fair values are attributed to the net assets acquired. Goodwill arises where the fair value of the consideration given for a business exceeds fair value of such net assets. For purchased goodwill arising on acquisitions, goodwill is capitalised and amortised through the profit and loss account over a period of 20 years unless the directors consider it has a materially different useful life.

Fair value adjustments will be incorporated up until the first full financial period following an acquisition.

Oasis and Warehouse Limited

Notes forming part of the financial statements (continued)

For the period 4 March 2014 to 28 February 2015

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life on a straight line basis, as follows:

Leasehold improvements	Over period of lease
Fixtures and fittings	4-10 years
Computer hardware and software	3-5 years
Motor vehicles	4 years

1.7 Investments

Investments are included at cost less amounts written off.

1.8 Impairments

The carrying amounts of the Group's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment is recognised when the carrying amount of an investment, fixed asset or goodwill exceeds the recoverable amount. The recoverable amount of the asset is the higher of net realisable value or value in use. To the extent that the carrying amount exceeds the recoverable amount, the difference will be recognised as an impairment loss through the profit and loss account.

In respect of Tangible Fixed Assets held at retail locations, management use the concept of payback period, defined as net book value divided by EBITDA, to help identify any indicators of impairment. Where such an indicator exists, an assessment of the retail location's prospects is performed based on budgeted data and facts and circumstances specific to that location. Retail locations where management do not expect a sufficient improvement in performance, or where there exists a plan to close the store, the assets assigned to that store are impaired in full as management deem that the recoverable amount is zero.

Where an indicator of impairment exists in respect of Goodwill or Investments, the value in use is assessed by discounting the expected future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment. Management assess that future cash flows approximate to the EBITDA generated by the assets that gave rise to the goodwill, or to the EBITDA generated by the subsidiary undertakings in the case of Investments.

1.9 Operating leases

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

1.10 Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

The assets and liabilities of overseas subsidiary undertakings are translated at the closing exchange rates. Gains and losses arising on these translations are taken to reserves. Profit and loss accounts of such undertakings are consolidated at the rate of exchange ruling at the date of the underlying transactions.

1.11 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on normal levels of activity and where appropriate, the cost of transportation and conversion to current location and condition. Net realisable value comprises the actual or estimated selling price less all further costs to completion.

Oasis and Warehouse Limited

Notes forming part of the financial statements (continued)

For the period 4 March 2014 to 28 February 2015

1.12 Tax

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred taxation is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and for accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19 Deferred Taxation.

1.13 Post-retirement benefits

The Oasis and Warehouse Group provides access to a stakeholder pension for all UK employees. In addition, contributions are made to specific employees' personal pension plans.

In accordance with Government Legislation in October 2013 all eligible employees were auto-enrolled into a qualifying pension scheme.

1.14 Lease incentives

Lease incentives are recognised over the period in which, before taking account of the incentive, rental payments are other than the market rate. They are released to the profit and loss account up until the first review date at which the rental being paid is expected to come into line with the prevailing market rate.

2. Turnover

Turnover arises from the sales by the Group to third parties' net of discounts and value added tax, and royalty income.

Turnover: By business activity	4 March 2014 to 28 February 2015 £m	3 March 2013 to 3 March 2014 £m
Retailing	266.2	263.6
Overseas franchising	24.9	26.2
Licensing	0.2	0.2
Wholesaling	13.4	13.8
Services	1.0	12.9
	<u>305.7</u>	<u>316.7</u>
Turnover: By geographic region	4 March 2014 to 28 February 2015 £m	3 March 2013 to 3 March 2014 £m
United Kingdom	247.3	250.7
Ireland	25.8	23.1
Germany	1.8	3.7
Rest of Europe	15.2	17.2
Middle and Far East	11.9	18.9
South America	3.7	3.1
Total turnover	<u>305.7</u>	<u>316.7</u>

Turnover by country of destination is not materially different from turnover by country of operation.

Oasis and Warehouse Limited

Notes forming part of the financial statements (continued)

For the period 4 March 2014 to 28 February 2015

3. Operating profit

Operating profit is stated after charging the following amounts:

	4 March 2014 to 28 February 2015 £m	3 March 2013 to 3 March 2014 £m
Depreciation of tangible fixed assets	5.5	4.9
Impairment charge on tangible fixed assets	1.3	0.2
Loss on disposal of tangible fixed assets	0.1	0.2
Amortisation of goodwill	1.3	1.4
Operating lease rentals - property	25.9	25.9

The remuneration payable in relation to audit services for the whole Aurora Group was borne by the Company in the current and previous periods. The amount paid in relation to the Oasis and Warehouse Group was £65,514 (2014: £59,378), of which £7,850 relates specifically to the Company (2014: £10,130).

4. Costs of a fundamental reorganisation or restructuring

Exceptional costs in the current period have arisen in connection with the restructure of the Aurora Group.

As per FRS3 exceptional costs have arisen as a result of a fundamental reorganisation/restructure that had a material effect on the nature and focus of the business' operations. This involved Brand alignment of the senior executive boards to allow growth and autonomy of each brand and implementation of their strategic and commercial plans, structurally, legally and physically.

	4 March 2014 to 28 February 2015 £m	3 March 2013 to 3 March 2014 £m
Legal / professional fees and damages in relation to the Examinership process	0.3	-
Reorganisation and restructuring costs	1.3	4.1
Costs of a fundamental reorganisation or restructuring	<u>1.6</u>	<u>4.1</u>

5. Remuneration of directors

	4 March 2014 to 28 February 2015 £m	3 March 2013 to 3 March 2014 £m
Directors' emoluments	2.3	1.2
Compensation for loss of office	-	1.7
Total	<u>2.3</u>	<u>2.9</u>
Highest paid director :		
Directors' emoluments	2.2	0.6
Compensation for loss of office	-	1.0
	<u>2.2</u>	<u>1.6</u>

Oasis and Warehouse Limited
Notes forming part of the financial statements (continued)

For the period 4 March 2014 to 28 February 2015

6. Staff numbers and cost

The average number of persons employed by the Group during the period was:

	4 March 2014 to 28 February 2015 Number	3 March 2013 to 3 March 2014 Number
Retail	3,733	3,971
Services	<u>168</u>	<u>262</u>
	<u>3,901</u>	<u>4,233</u>

The aggregate payroll costs of these persons were as follows:

	£m	£m
Wages and salaries	48.9	57.0
Social security costs	<u>3.6</u>	<u>4.1</u>
	<u>52.5</u>	<u>61.1</u>

In the current and previous periods, total emoluments include amounts for staff providing shared administrative services to the Aurora Group as a whole. A recharge is made by the Company relating to all the services incurred by fellow Aurora group companies.

7. Interest receivable and similar income

	4 March 2014 to 28 February 2015 £m	3 March 2013 to 3 March 2014 £m
Interest receivable on amounts owed by Aurora Group undertakings	-	1.8
Unrealised foreign exchange gains	<u>0.6</u>	<u>-</u>
	<u>0.6</u>	<u>1.8</u>

8. Interest payable and similar charges

	4 March 2014 to 28 February 2015 £m	3 March 2013 to 3 March 2014 £m
Interest payable on amounts owed to Aurora Group undertakings	-	4.0
Bank charges	0.3	0.2
Unrealised foreign exchange loss / (gain)	<u>0.7</u>	<u>-0.2</u>
	<u>1.0</u>	<u>4.0</u>

Oasis and Warehouse Limited
Notes forming part of the financial statements (continued)

For the period 4 March 2014 to 28 February 2015

9. Taxation

	4 March 2014 to 28 February 2015 £m	3 March 2013 to 3 March 2014 £m
UK corporation tax		
Current tax	-	-
Deferred tax		
Origination and reversal of timing differences	-0.5	-0.3
Adjustments in respect of prior periods	-	0.4
Change in tax rate	-	1.2
	<u>-0.5</u>	<u>1.3</u>
Tax on profits on ordinary activities	<u>-0.5</u>	<u>1.3</u>

Current tax reconciliation

The current tax charge for the period differs from the standard rate of corporation tax in the UK of 21.17% (2014: 23.08%) applied to the profit before tax. The differences are explained below.

	4 March 2014 to 28 February 2015 £m	3 March 2013 to 3 March 2014 £m
Profit on ordinary activities before taxation	0.6	0.5
Profit on ordinary activities at the standard rate of corporation tax in the UK	0.1	0.1
Factors affecting charge for the period		
Expenses not deductible for tax	0.4	-
Depreciation in excess of capital allowances	0.9	0.9
Unrelieved losses carried forward	-0.6	-0.2
Group relief claimed	-0.4	-0.6
Transfer pricing adjustments	-0.3	-0.1
Effect of difference in tax rates	-0.1	-0.1
Current tax charge for the period	<u>-</u>	<u>-</u>

Factors that may affect future current and total tax charges

The utilisation of brought forward tax losses may reduce the current and total charges in future years. For the Oasis and Warehouse Group this amounted to £6.0m at the balance sheet date (2014: £9.8m)

Changes in the UK corporation tax rate as disclosed in note 17 may affect current and total charges in future years.

Oasis and Warehouse Limited

Notes forming part of the financial statements (continued)

For the period 4 March 2014 to 28 February 2015

10. Intangible fixed assets

	Group Goodwill £m
Cost	
At 3 March 2014 and 28 February 2015	<u>27.2</u>
Amortisation	
At 3 March 2014	6.8
Charge for the period	<u>1.3</u>
At 28 February 2015	<u>8.1</u>
Net Book Value	
At 28 February 2015	<u>19.1</u>
At 3 March 2014	<u>20.4</u>

11. Tangible fixed assets

	Group				
	Short leasehold and improvements	Fixtures and fittings £m	Computer hardware and software £m	Motor vehicles £m	Total £m
Cost					
At 3 March 2014	1.4	51.2	6.7	0.1	59.4
Adjustment arising from changes in foreign currency exchange rates	-	-1.3	-	-	-1.3
Additions	0.2	3.0	1.5	-	4.7
Disposals	-	-1.2	-	-	-1.2
At 28 February 2015	<u>1.6</u>	<u>51.7</u>	<u>8.2</u>	<u>0.1</u>	<u>61.6</u>
Depreciation					
At 3 March 2014	0.7	38.8	4.4	0.1	44.0
Adjustment arising from changes in foreign currency exchange rates	-	-1.1	-	-	-1.1
Charge for the period	0.1	4.4	1.0	-	5.5
Impairment charge	0.1	1.2	-	-	1.3
Disposals	-	-1.1	-	-	-1.1
At 28 February 2015	<u>0.9</u>	<u>42.2</u>	<u>5.4</u>	<u>0.1</u>	<u>48.6</u>
Net book value					
At 28 February 2015	<u>0.7</u>	<u>9.5</u>	<u>2.8</u>	<u>-</u>	<u>13.0</u>
At 3 March 2014	<u>0.7</u>	<u>12.4</u>	<u>2.3</u>	<u>-</u>	<u>15.4</u>

Impairment charges totalling £1.3m have been made in 13 stores. On the basis that each of the stores impaired are not expected to generate any significant future net positive cashflows, management consider the recoverable amount of these stores to be zero.

Oasis and Warehouse Limited

Notes forming part of the financial statements (continued)

For the period 4 March 2014 to 28 February 2015

12. Investments

	Company Subsidiary undertakings £m
At 3 March 2014	95.4
Impairment in investment of Basyan Fashions Limited	-4.5
At 28 February 2015	90.9

Management undertake an annual review of the value of their investments and it was agreed that the value of the investment in Basyan Fashions Limited would be impaired in the current period.

The undertakings in which the Company's interest at the end of the period is more than 20% are as follows:

Subsidiary undertakings	Country of Incorporation	Principal activity	Percentage of Share held
Directly owned:			
A Fashions Sweden AB (formerly Hansson Brandname Management AB)	Sweden	Retailer	100%
Basyan Fashions Limited	UK	Retailer	100%
Oasis Fashions Holdings Limited	UK	Holding	100%
Warehouse Fashions Holdings Limited	UK	Holding	100%
Indirectly owned:			
Aurora Fashions Asia Limited	Hong Kong	Service	50%
Aurora Fashions Services Limited	UK	Service	50%
Oasis Fashions Retail Limited	UK	Property	100%
Oasis Fashions Ireland Limited	Ireland	Retailer	100%
Oasis Fashions Limited	UK	Retailer	100%
Oasis Fashions US Limited	UK	Domant	100%
Oasis Pacific Rim Limited	Hong Kong	Retailer	50%
Warehouse Retail Limited	UK	Property	100%
Warehouse Fashions Limited	UK	Retailer	100%
Warehouse Fashions Ireland Limited	Ireland	Retailer	100%
Warehouse Fashions US Limited	UK	Domant	100%

The class of shares held is ordinary shares for all investments.

Aurora Fashions Asia Limited, previously 100% owned by the Company, was sold on 14 March 2014 at book value. 50% of the issued share capital is now owned by Oasis Fashions Limited, a company within the Oasis and Warehouse Limited group.

The Company owns 50% of Aurora Fashions Services Limited which provides shared service functions to Oasis Fashions Limited and Warehouse Fashions Limited respectively.

The Oasis Pacific Rim Limited group, which is 50% owned by the Company, is not treated as an associated undertaking as the Company does not exercise a significant influence over its operational and financial policy.

With effect from 31 July 2015, Oasis Pacific Rim Limited is no longer part of the Aurora Group.

Oasis and Warehouse Limited

Notes forming part of the financial statements (continued)

For the period 4 March 2014 to 28 February 2015

13. Stocks and work in progress

	28 February 2015		3 March 2014	
	Group £m	Company £m	Group £m	Company £m
Raw materials and consumables	0.4	-	0.3	-
Finished goods and goods for resale	30.3	-	28.2	-
	<u>30.7</u>	<u>-</u>	<u>28.5</u>	<u>-</u>

In the opinion of the directors, there is no material difference between the replacement cost of stock and the amounts stated above.

14. Debtors

	28 February 2015		3 March 2014	
	Group £m	Company £m	Group £m	Company £m
Trade debtors	14.2	0.8	16.8	1.7
Amounts owed by Group undertakings	5.2	9.0	4.3	4.4
Other debtors	0.7	-	0.2	0.1
Prepayments and accrued income	6.7	0.1	7.2	0.1
Corporation tax	-	0.1	-	0.1
Other taxes	-	0.6	-	0.5
Deferred tax asset (see note 17)	5.5	-	5.0	-
	<u>32.3</u>	<u>10.6</u>	<u>33.5</u>	<u>6.9</u>

15. Creditors: amounts falling due within one year

	28 February 2015		3 March 2014	
	Group £m	Company £m	Group £m	Company £m
Amounts owed to Group undertakings	30.0	10.7	30.0	7.2
Trade creditors	20.5	-	19.5	-
Other taxes and social security costs	3.3	1.2	4.4	0.8
Other creditors	2.5	0.2	4.6	0.3
Accruals and deferred income	19.3	2.5	20.4	4.0
	<u>75.6</u>	<u>14.6</u>	<u>78.9</u>	<u>12.3</u>

16. Creditors: amounts falling due after one year

	28 February 2015		3 March 2014	
	Group £m	Company £m	Group £m	Company £m
Deferred income	1.6	-	2.3	-

Deferred income relates to incentives received on leases held by the Oasis and Warehouse Group.

Oasis and Warehouse Limited

Notes forming part of the financial statements (continued)

For the period 4 March 2014 to 28 February 2015

17. Deferred taxation

	28 February 2015		3 March 2014	
	Group £m	Company £m	Group £m	Company £m
The deferred tax asset comprises:				
Accelerated capital allowances:	5.2	-	4.3	-
Short term timing differences	0.2	-	-	-
Tax losses	0.1	-	0.7	-
	<u>5.5</u>	<u>-</u>	<u>5.0</u>	<u>-</u>
			Group £m	
Movement on deferred tax asset:				
At 3 March 2014				5.0
Profit and loss account				<u>0.5</u>
At 28 February 2015				<u>5.5</u>

The directors believe that continued recognition of the deferred tax asset is appropriate based on forecasts showing that sufficient profits will arise in the foreseeable future against which assets will be offset when crystallised.

There is an unrecognised deferred tax asset of £1.1 million (2014: £1.6 million) in respect of accelerated capital allowances and tax losses which has not been recognised for the Group due to uncertainty over its recoverability. This will be reassessed at each period end.

A reduction in the UK corporation tax rate from 24% to 23% (effective 1 April 2013) was substantively enacted on 3 July 2012. Reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. The deferred tax asset at 28 February 2015 has been calculated based on the rate of 20% substantively enacted at the balance sheet date. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future current tax charge accordingly.

18. Share capital

	28 February 2015		3 March 2014	
	Group £m	Company £m	Group £m	Company £m
Allotted, called up and fully paid:				
99,859,458 Ordinary shares of £1.00	<u>99.9</u>	<u>99.9</u>	<u>99.9</u>	<u>99.9</u>

In the year, one ordinary share of £1.00 was issued in favour of Kaupthing Bank hf. and subsequently transferred to Aurora Fashions Finance Limited. This gave rise to share premium; refer to note 19 Reserves.

Oasis and Warehouse Limited

Notes forming part of the financial statements (continued)

For the period 4 March 2014 to 28 February 2015

19. Reserves

	Profit & loss account	
	Group	Company
	£m	£m
At 3 March 2014	-69.6	0.3
Profit/(loss) after taxation for the financial period	1.1	-4.4
Differences in the net investment in foreign enterprises arising from changes in foreign currency exchange rates	-0.7	-
At 28 February 2015	<u>-69.2</u>	<u>-4.1</u>

	Share premium account	
	Group	Company
	£m	£m
At 3 March 2014	-	-
Arising on share issues	2.5	2.5
At 28 February 2015	<u>2.5</u>	<u>2.5</u>

20. Reconciliation of movements in shareholder's funds

	28 February 2015		3 March 2014	
	Group	Company	Group	Company
	£m	£m	£m	£m
At start of period	30.3	100.2	31.0	0.3
New share capital subscribed	-	-	-	99.9
Share premium arising on issue of new shares	2.5	2.5	-	-
Profit/(loss) after taxation for the financial period	1.1	-4.4	-0.8	-
Differences in the net investment in foreign enterprises arising from changes in foreign currency exchange rates	-0.7	-	0.1	-
At end of period	<u>33.2</u>	<u>98.3</u>	<u>30.3</u>	<u>100.2</u>

Oasis and Warehouse Limited

Notes forming part of the financial statements (continued)

For the period 4 March 2014 to 28 February 2015

21. Reconciliation of operating profit/(loss) to operating cash flows

	4 March 2014 to 28 February 2015 £m	3 March 2013 to 3 March 2014 £m
Operating profit	2.6	6.8
Depreciation charges	5.5	4.9
Impairment charges	1.3	0.2
Loss on disposal of fixed assets	0.1	0.2
Amortisation of goodwill	1.3	1.4
EBITDA	10.8	13.5
Exceptional items	-1.6	-4.1
Change in stocks	-2.2	0.6
Change in debtors	0.8	-5.1
Change in creditors	-2.3	-7.5
Net cash inflow/(outflow) from operating activities	5.5	-2.6

22. Analysis of cash flows

	4 March 2014 to 28 February 2015 £m	3 March 2013 to 3 March 2014 £m
Return on investments and servicing of finance		
Interest received	0.6	1.8
Interest paid	-1.0	-4.2
	-0.4	-2.4
Capital expenditure and financial investment		
Purchase of tangible fixed assets	-5.0	-5.1
Receipts from disposal of tangible fixed assets		
Acquisitions and disposals		
Aurora Fashions Asia Limited	-0.1	-
Financing		
Issue of ordinary share capital	2.5	-
Repayment and reassignment of debt	-0.9	-
	1.6	-

23. Analysis of net funds

	4 March 2014 to 28 February 2015 £m	3 March 2013 to 3 March 2014 £m
Cash at bank and in hand at the start of the period	13.7	23.7
Increase/(decrease) in cash in the period	1.6	-10.0
Cash at bank and in hand at the end of the period	15.3	13.7

Oasis and Warehouse Limited

Notes forming part of the financial statements (continued)

For the period 4 March 2014 to 28 February 2015

24. Guarantees and other commitments

Certain companies within the Aurora Fashions Group, The 'Banking subgroups' are party to the terms of a Senior Facilities Agreement (the "SFA") with Aurora Fashions Finance Limited (AFFL), exclusively as a borrower, the borrowers are Oasis and Warehouse Limited, Coast Debtco Limited and Karen Millen Holdings Limited. Each banking sub group/silo under the obligations of their SFA has a number of group companies party to the SFA as Guarantors, the values of which are disclosed within the respective company accounts. Such guarantee shall continue under the restructured bank loans. Under the terms of the cross guarantee, an event of default in the Company or certain other companies in the sub group would mean that the lender, AFFL, has the ability to call on any of the other companies within the respective banking sub groups to step in to fulfil the obligations of that borrower/guarantor. An event of default could include an entity becoming insolvent. It should be noted that the call under the guarantee is on demand, and as such the demand is at the discretion of AFFL in its capacity as sole Lender.

As of 2 October 2015 there is security between the banking sub groups, Oasis and Warehouse, Coast and Karen Millen and certain of their trading subsidiaries in favour of AFFL, in the form of fixed and floating charges over the undertakings and all property and assets. The net book value of assets are contained within the individual entities' statutory accounts.

Annual commitments under non-cancellable operating leases for land and buildings are as follows:

	28 February 2015 £m	3 March 2014 £m
Operating leases which expire:		
Within one year	1.4	0.9
Between two and five years	10.2	8.8
Over five years	11.3	12.6
	<u>22.9</u>	<u>22.3</u>

25. Related parties

The Group has a related party relationship with its directors, with the undertakings which form part of the Aurora Fashions Group Limited group of companies and with its ultimate parent company, Kaupthing Bank hf., and its subsidiary undertakings, specifically the Karen Millen Group.

The Company has taken advantage of the exemption in Financial Reporting Standard 8 *Related Parties Disclosures* not to disclose transactions with wholly owned subsidiary undertakings.

During the current and previous periods, Aurora Fashions Services Limited, recharged the following amounts to companies with whom it had a related party relationship, for shared services provided to those companies.

	4 March 2014 to 28 February 2015 £m	3 March 2013 to 3 March 2014 £m
Shared services provided to:		
OWL group companies	3.0	2.8
Coast Fashions Limited	1.6	1.3
Karen Millen Fashions Limited	2.0	1.7
	<u>6.6</u>	<u>5.8</u>

At the end of the period, the following balances remained outstanding between the companies listed and Aurora Fashions Services Limited.

	28 February 2015 £m	3 March 2014 £m
OWL group companies	-0.1	-0.3
Karen Millen Fashions Limited	-	0.1
	<u>-0.1</u>	<u>-0.2</u>

Oasis and Warehouse Limited

Notes forming part of the financial statements (continued)

For the period 4 March 2014 to 28 February 2015

26. Post balance sheet events

The Aurora Group underwent a Group reconstruction and Amendment Agreement effected 2 October 2015. This was to facilitate 3 separate banking sub groups, the Oasis and Warehouse subgroup, the Coast sub group and the Karen Millen sub group each of which meets its day to day working capital requirements and medium term funding requirements through term debt and revolving credit facilities with Aurora Fashions Finance Limited, who in turn retains a senior facilities agreement with Kaupthing Bank hf. (the "Bank"). Under the original terms of the senior facilities agreement ("SFA"), loan amounts became repayable in stages over the period to January 2015 and were subject to certain financial and other covenant requirements. The terms of the facility have been amended as at December 2014 and October 2015 to permit the senior loan repayments to be deferred for 4 years, with 50% of Facility A falling due in 2019, and the remaining A and B Facilities payable on the termination date in 2020. There is the option to roll up interest that falls due in years 1-3 or to cash pay, and thereafter interest will be cash paid to October 2020. Future financial covenant targets were adjusted through to the maturity of the loan. The current facility expires in 2020 at which point the directors consider that a new finance facility will be available. The financial conditions are detailed below.

The Revolving credit facility was amended on 2 October 2015 – with £10million available to the Oasis and Warehouse sub group – £5m available to the Coast sub group - and £10m available to the Karen Millen sub group of which £5m was drawn in October 2015 post completion of the deed of amendment and restatement. As of the date of amendment (2 October 2015) all existing guarantees/security granted by the group were released.

As a result of the Group reconstruction as detailed above from 2 October 2015 the Karen Millen Group of companies form part of the overall Aurora Group of companies effected by a share for share exchange. Six new holding companies were incorporated and formed part of the group from this date. Karen Millen Holdco 1 Limited became the immediate parent of Karen Millen Group Limited, Oasis Holdco 2 Limited became the immediate parent of Oasis and Warehouse Limited, Oasis and Warehouse Holdco 1 Limited became the immediate parent of Oasis and Warehouse Holdco 2 Limited, Coast Debtco Limited became the immediate parent of Coast Holdings Limited, Coast Holdco 2 Limited became the immediate parent of Coast Debtco Limited, Coast Holdco 1 Limited became the immediate parent of Coast Holdco 1 Limited. Each new sub group Holdco's immediate parent being Aurora Fashions Finance Limited.

27. Immediate and ultimate parent company and parent undertaking of larger group

The immediate parent company is Aurora Fashions Finance Limited, a company incorporated in England and Wales.

As a result of the Group reconstruction effected 2 October 2015, two new holding companies were incorporated and so the immediate parent became Oasis and Warehouse Holdco 2 Limited, and in turn its immediate parent became Oasis and Warehouse Holdco 1 Limited, with its immediate parent being Aurora Fashions Finance Limited, all companies incorporated in England and Wales.

The ultimate parent company is Kaupthing Bank hf., a company incorporated in Iceland. The largest group in which the results of the Company are consolidated is that headed by Aurora Fashions Group Limited, incorporated in England and Wales, and the smallest is these financial statements. The consolidated financial statements of Aurora Fashions Group Limited are available from Aurora Fashions Group Limited, The Triangle, Stanton Harcourt Industrial Estate, Stanton Harcourt, Witney, Oxfordshire, OX29 5UT, UK.