Oasis and Warehouse Limited

Annual Report and Consolidated Financial Statements

For the period 25 February 2018 to 2 March 2019

Company Registered Number: 07410874 (England and Wales)

Oasis and Warehouse Limited
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Oasis and Warehouse Limited
Company information

Directors	Hashim Ladha Alexander David Jablonowski
Secretary	Heatons Secretaries Limited
Company number	07410874
Registered office	The Triangle Stanton Harcourt Industrial Estate Stanton Harcourt Witney Oxfordshire OX29 5UT
Auditor	Grant Thornton UK LLP The Colmore Building 20 Colmore Circus Birmingham, B4 6AT
Banker	Barclays Bank plc 1 Churchill Place London E14 5HP
Solicitors	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

Strategy and Objectives

Oasis and Warehouse Limited is an intermediate holding company within the Oasis and Warehouse Group of companies ("the Group").

The principal activities of the Oasis and Warehouse Group are the design, production and retailing of exclusive women's clothing and fashion accessories under the 'Oasis' and 'Warehouse' brand names. The brands are distributed through their own retail stores, own digital channels www.oasis-stores.com and www.warehouse.co.uk, concessions and wholesale in the United Kingdom and Europe. The brands also have franchise partnerships in Europe, the Middle East, Asia and South America.

The objective of the Oasis and Warehouse Group is to grow sales profitability and to optimise returns for its shareholders. This objective will be delivered through building on the strong Oasis brand identity to launch new categories and product extensions, growth in digital, transformation of its property portfolio and growth through wholesale and international channels. Warehouse will continue to invest in the brand's product, innovation, store environment and an omni-channel strategy.

Business Model

Oasis has continued to focus on investment and growth in digital, transformation of its store portfolio through new channels and store closures, and product extensions.

Oasis continued its rollout of the local store format with five new local store openings (Ringwood, Tenterden, Ilkley, Haslemere, Dorchester) and a further two branches opened (Worcester, Salisbury). Seven non profit contributing branches were closed in the year.

During the period Oasis launched a strategic partnership with Sainsburys opening three stores, this is a new channel that has proven successful.

Warehouse made significant inroads in delivering its turnaround strategy of creating beautifully designed product for the urban woman with a strong brand DNA at an accessible price. Digitally the brand grew, making progress in being an innovator in the digital space.

During the period the group closed fourteen unprofitable standalone stores.

KPI's

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 main measure of profitability is EBITDA (earnings before interest, tax, depreciation and amortisation) before exceptional costs.

EBITDA for the year was £11.5 million (2018: £9.6 million), an increase of £1.9 million. The EBITDA margin was 3.9% (2018: 3.5%).

Despite the background of a difficult retail environment, total sales for the period amounted to £293.2 million (2018: £275.2 million), an increase of 6.5%. Online sales have continued to grow in both brands, representing 30% of total sales in each brand.

Gross profit margin for the Oasis and Warehouse Group decreased to 59.0% in the period (2018: 62.0%) which resulted in a gross profit of £173.0 million (2018 £170.6 million.)

Distribution costs and administrative expenses, which are monitored and controlled by management, amounted to £169.5 million (2018: £168.0 million).

The reduction in interest payable of £6.3 million in the period is primarily driven by the movement in foreign currency forward contracts measured at fair value. The fair value is calculated as the difference between the strike rate and forward rate. This is the difference between the contractually agreed rate and the market rate that could be achieved if you entered into the same contract at the balance sheet date.

The profit after tax increased for the period to £2.8 million, compared to a loss of £9.7 million in the previous year after taking into account net finance income of £1.6 million (2018: finance costs of £8.7 million). Operating profit before exceptional items for the period was £3.5 million (2018: profit of £2.6 million).

During the period, the Oasis Group made capex investments totalling £4.0 million, which was invested in the UK store portfolio (new and refits) and IT & Logistics infrastructure. The Warehouse group invested £1.3 million, principally in IT & Logistics infrastructure to support its future growth strategy.

Future developments

As at September 2019, the repayment dates of the group's secured loans have been extended from October 2019 to October 2022. The revised terms have been amended to permit the senior loan repayments falling due in less than one year and after more than one year to be deferred until a termination date of October 2022, at which point 100% of the loan values will become due. As a result, loans currently classified as falling due in less than one year at the balance sheet date will be reclassified as falling due in more than one year in the Group's next financial statements to be published. Future financial covenant targets have also been adjusted through to the maturity of the loan. The directors consider that a new finance facility will be available from October 2022.

In September 2019 the group acquired The Idle Man, a British online menswear fashion brand. This represents the Group's entry into menswear and to reach scale, the brand will have access to the Group's industry experience, established supply chain and infrastructure.

Brands

For Oasis, leveraging the investment in digital channels remains high priority with a particular focus on driving customer lifetime value. Enhancements to the delivery and returns proposition will optimise customer convenience and drive loyalty buoyed by a new marketing platform enabling targeted, personalised communications.

The brand will also continue to invest in the store portfolio with three new local format stores already agreed for opening in 2019 alongside further openings within Sainsburys.

Warehouse will continue to drive growth in its digital channel complemented by a small perfectly formed store portfolio as further non profit making branches are closed. Concessions, wholesale and international franchise remain an important part of the strategy.

There will be continued investment in the underlying infrastructure and integration between channels as well as investment in fulfilment capabilities to drive efficiencies across the group.

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. There continues to be uncertainty and pressures around UK high street retailing, the Group will continue to monitor the industry conditions and will make decisions based on management's assessment.

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 Oasis and Warehouse Group have a Senior facilities Agreement in place provided by Aurora Fashions Finance Limited in its capacity as lender, agent and security agent for Kaupthing ehf. The facility is subject to financial covenant targets that adjust through to maturity of the loans. Performance against the covenants is measured quarterly. Further details are contained in note 1.4 'Going concern' and note 27 'Guarantees and commitments'.

Going Concern

Note 1.4 to the financial statements sets out the basis of preparation of the financial statements. As explained in note 1.4, having taken account of the Group's loss 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.

Principal Risks and Uncertainties (continued)

Macroeconomic environment

Brexit continues to fuel uncertainty in the marketplace bringing risk to the business around currency and consumer confidence. Inflation continues to exceed wage growth putting pressure on consumer spending.

Retail Landscape

The current retail trading environment and number of business failures could adversely impact the group as sales channels shrink, an example of this in the reported year was the House of Fraser administration.

By Order of the Board

Hashim Ladha
Director

19 Sept 2019

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 25 February 2018 to 2 March 2019.

As a subsidiary of Aurora Fashions Group Limited, the Company forms part of "the Aurora Group".

The current period relates to the 53 week period from 25 February 2018 to 2 March 2019. The prior period covers the 52 week period from 26 February 2017 to 24 February 2018.

Results and dividends

The Oasis and Warehouse Group's results are set out on page 11.

The Directors do not recommend the payment of a dividend (2018: £nil).

Post balance sheet events

As at September 2019, the repayment dates of the group's secured loans have been extended from October 2019 to October 2022. The revised terms have been amended to permit the senior loan repayments falling due in less than one year and after more than one year to be deferred until a termination date of October 2022, at which point 100% of the loan values will become due. As a result, loans currently classified as falling due in less than one year at the balance sheet date will be reclassified as falling due in more than one year in the Group's next financial statements to be published. Future financial covenant targets have also been adjusted through to the maturity of the loan. The directors consider that a new finance facility will be available from October 2022

In September 2019 the group acquired The Idle Man, a British online menswear fashion brand. This represents the Group's entry into menswear and to reach scale, the brand will have access to the Group's industry experience, established supply chain and infrastructure.

Political contributions

The Group made no political contributions during the period (2018: £nil).

Directors

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

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

Elizabeth Evans	resigned 1 January 2019
Hashim Ladha	appointed 1 January 2019
Sanam Soufipour	resigned 28 February 2019
Alexander David Jablonowski	appointed 27 June 2019

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 Group'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 Group's auditor is aware of that information.

Auditor

Following the resignation as auditor of KPMG LLP on 25 January 2019, it was agreed that Grant Thornton UK LLP would be appointed in its place, in accordance with section 485 of the Companies Act 2006.

By Order of the Board

Hashim Ladha
Director

19 Sept 2019

Statement of Directors' Responsibilities in respect of the Strategic Report, Directors' Report and financial statements

For the period 25 February 2018 to 2 March 2019

The directors are responsible for preparing the Strategic Report, 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 group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company 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;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Opinion

We have audited the financial statements of Oasis and Warehouse Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 2 March 2019 which comprise Consolidated profit and loss account and other comprehensive income, Consolidated balance sheet, Company balance sheet, Consolidated statement of changes in equity, Company statement of changes in equity, Consolidated cash flow statement and related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true a true and fair view of the state of the group's and of the parent company's affairs as at 2 March 2019 and of the group's profit for the period then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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 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.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Grant Thornton UK LLP

23 September 2019

Rebecca C Eagle
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered
Birmingham

Oasis and Warehouse Limited

Consolidated profit and loss account and other comprehensive income

For the period 25 February 2018 to 2 March 2019

	Note	25 February 2018 to 2 March 2019 Trading results £m	Non recurring items (note 5) £m	Total £m	26 February 2017 to 24 February 2018 Trading results £m	Non recurring items (note 5) £m	Total £m
Turnover: group and share of joint venture's turnover		295.5	-	295.5	289.4	-	289.4
Less: share of joint venture's turnover		-2.3	-	-2.3	-14.2	-	-14.2
Group Turnover	3	293.2	-	293.2	275.2	-	275.2
Cost of sales		-120.2	-	-120.2	-104.6	-	-104.6
Gross profit		173.0	-	173.0	170.6	-	170.6
Distribution costs		-122.6	-	-122.6	-126.4	-	-126.4
Administrative expenses		-46.9	-3.5	-50.4	-41.6	-4.2	-45.8
Group operating profit/(loss)	4	3.5	-3.5	-	2.6	-4.2	-1.6
Group's share of operating profit in joint venture				-			0.3
Interest receivable and similar income	9			5.9			1.9
Interest payable and similar charges	10			-4.3			-10.6
Profit/(loss) before taxation				1.6			-10.0
Tax on profit/(loss)	11			1.2			0.3
Profit/(loss) for the period				2.8			-9.7
Other comprehensive income							
Foreign exchange difference on translation of foreign operations				-0.2			0.1
Total comprehensive profit/(loss) for the period				2.6			-9.6

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

The notes on pages 17 to 34 also form part of these financial statements.

Oasis and Warehouse Limited
Consolidated balance sheet

As at 2 March 2019

	Note	2 March 2019 £m	24 February 2018 £m
Fixed assets			
Net intangible assets and goodwill	12	13.7	15.1
Tangible fixed assets	13	14.2	15.5
		27.9	30.6
Current assets			
Stocks	15	30.4	27.4
Debtors (including £5.5m (2018: £4.1m) due after more than one year)	16	26.0	21.0
Cash at bank and in hand	17	15.3	21.8
		71.7	70.2
Creditors : amounts falling due within one year	18	-50.0	-49.0
Net current assets		21.7	21.2
Total assets less current liabilities		49.6	51.8
Creditors : amounts falling due after more than one year	19	-33.6	-36.2
Net assets		16.0	15.6
Capital and reserves			
Called up share capital	23	79.9	79.9
Shareholder contribution	24	-	2.2
Profit and loss account	24	-63.9	-66.5
Shareholder's funds		16.0	15.6

The notes on pages 17 to 34 also form part of these financial statements.

These financial statements were approved by the board of directors on 19 Sept 2019 and signed on its behalf by:

Hashim Ladha
Director

Company Registered Number: 07410874 (England and Wales)

Oasis and Warehouse Limited
Company balance sheet

As at 2 March 2019

	Note	2 March 2019 £m	24 February 2018 £m
Fixed assets			
Investments	14	87.6	87.6
Current assets			
Debtors (including £31.8m (2018: £34.3m) due after more than one year)	16	61.3	60.2
Cash at bank and in hand	17	8.7	14.7
		70.0	74.9
Creditors : amounts falling due within one year	18	-34.9	-37.0
Net current assets		35.1	37.9
Total assets less current liabilities		122.7	125.5
Creditors : amounts falling due after more than one year	19	-32.0	-34.6
Net assets		90.7	90.9
Capital and reserves			
Called up share capital	23	79.9	79.9
Profit and loss account	24	10.8	11.0
Shareholder's funds		90.7	90.9

The notes on pages 17 to 34 also form part of these financial statements.

These financial statements were approved by the board of directors on 19 Sept 2019 and signed on its behalf by:

Hashim Ladha
Director

Company Registered Number: 07410874 (England and Wales)

Oasis and Warehouse Limited
Consolidated statement of changes in equity

For the period 25 February 2018 to 2 March 2019

	Note	Called up share capital £m	Shareholder contribution £m	Profit and loss account £m	Total equity £m
Balance at 26 February 2017		79.9	1.7	-56.9	24.7
Loss for the period		-	-	-9.7	-9.7
Other comprehensive income		-	-	0.1	0.1
Share based payment		-	0.5	-	0.5
Balance at 24 February 2018		79.9	2.2	-66.5	15.6

	Note	Called up share capital £m	Shareholder contribution £m	Profit and loss account £m	Total equity £m
Balance at 25 February 2018		79.9	2.2	-66.5	15.6
Profit for the period	24	-	-	2.8	2.8
Other comprehensive loss	24	-	-	-0.2	-0.2
Share based payment	24	-	-2.2	-	-2.2
Balance at 2 March 2019		79.9	-	-63.9	16.0

The notes on pages 17 to 34 also form part of these financial statements.

Oasis and Warehouse Limited
Company statement of changes in equity

For the period 25 February 2018 to 2 March 2019

	Note	Called up share capital £m	Profit and loss account £m	Total equity £m
Balance at 26 February 2017		79.9	11.6	91.5
Loss for the period		-	-0.6	-0.6
Balance at 24 February 2018		79.9	11.0	90.9

	Note	Called up share capital £m	Profit and loss account £m	Total equity £m
Balance at 25 February 2018		79.9	11.0	90.9
Loss for the period	24	-	-0.2	-0.2
Balance at 2 March 2019		79.9	10.8	90.7

The notes on pages 17 to 34 also form part of these financial statements.

Oasis and Warehouse Limited

Consolidated cash flow statement

For the period 25 February 2018 to 2 March 2019

	Note	25 February 2018 to 2 March 2019 £m	26 February 2017 to 24 February 2018 £m
Cash flows from operating activities			
Profit/(loss) for the year		2.8	-9.7
Adjustments for:			
Depreciation, amortisation and impairment		7.8	6.7
Interest receivable and similar income		-5.9	-1.9
Interest payable and similar charges		4.3	10.6
Loss on disposal of tangible fixed assets		0.2	-
Taxation		-1.2	-0.3
Change in value of stock provision		-0.5	-0.5
Change in value of bad debt provision		-	-
		7.5	4.9
Decrease in trade and other debtors		-0.6	2.2
Decrease / (increase) in stocks		-2.5	2.9
(Decrease) / increase in trade and other creditors		-4.5	-5.5
		-7.6	-0.4
Tax paid		-0.2	-0.1
Net cash from operating activities		-0.3	4.4
Cash flows from investing activities			
Acquisition of a subsidiary	2	1.0	-
Purchase of tangible fixed assets		-6.0	-3.9
Net cash from investing activities		-5.0	-3.9
Cash flows from financing activities			
Interest paid		-1.2	-0.1
Net cash from financing activities		-1.2	-0.1
Net increase in cash and cash equivalents		-6.5	0.4
Cash and cash equivalents at the start of the period		16.8	16.4
Cash and cash equivalents at the end of the period	17	10.3	16.8

The notes on pages 17 to 34 also form part of these financial statements.

1. Accounting policies

Oasis and Warehouse Limited (the "Company") is a private company limited by shares which is incorporated, domiciled and registered in England and Wales. The registered number is 07410874 and the registered address is The Triangle, Stanton Harcourt Industrial Estate, Stanton Harcourt, Witney, Oxfordshire, OX29 5UT, UK.

1.1 Basis of Preparation - Accounting Convention

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102").

The presentational currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £0.1m unless otherwise stated.

1.2 Compliance with accounting standards

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. the following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included a second time.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1.16.

1.3 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at fair value: financial instruments classified at fair value through the profit and loss.

1. Accounting policies (continued)

1.4 Basis of preparation - going concern

Aurora Fashions Group Limited is the holding company for the Aurora group of companies (the "Aurora Group"). Kaupthing ehf'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.

The Oasis and Warehouse Group made a profit for the year of £2.8 million (2018: loss of £9.7 million) and had net current assets of £21.7 million (2018: £21.2 million) and net assets of £16.0 million (2018: £15.6 million).

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

The directors have reviewed projected cash flows for the period covering at least 12 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.

A letter of support has been given by Kaupthing ehf to the directors of Aurora Fashions Group Limited committing to provide continuing financial support to the Aurora Group to the extent necessary.

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.

1.5 Foreign currency translation

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. An average monthly spot rate is used in relation to the translation of foreign subsidiaries. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in 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.

1.6 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 2 March 2019. The acquisition method of accounting has been adopted. 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. Accounting policies (continued)

1.7 Financial Instruments

In accordance with FRS 102.22, financial instruments issued by the group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the group; and
(b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

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

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy. Transaction costs are allocated between the debt component and the equity

Derivative financial instruments
Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

1.8 Basic financial instruments

Trade and other debtors / creditors
Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.9 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

1.10 Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

1. Accounting policies (continued)

1.11 Intangible fixed assets, goodwill and amortisation

Goodwill
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.

At the date of transition to FRS 102, the Groups goodwill had a remaining useful economic life of 15 years. There have been no events which affect this estimate at the date of transition to FRS 102, and as such the Directors consider it appropriate to continue to amortise the goodwill over this period on a straight-line basis as it reflects management's best estimate of it's useful economic life. Goodwill has no residual value. In support of the continuing useful economic life, factors considered are the nature of the business, product lifecycle and overall industry sector performance and projections. Net present value of future cash inflows are measured at respective entity level, key assumptions are based on historical trends and future market expectations.

The Group performs an annual impairment review of the Goodwill, and if it considers that the carrying amount exceeds the recoverable amount then the difference will be recognised as an impairment loss through the profit and loss account.

For purchased goodwill arising on acquisitions after the date of transition to FRS 102, goodwill will be capitalised and amortised through the profit and loss account over a period of 10 years unless the directors consider it has a materially different useful life.

Other intangible assets
Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful life of the intangible asset. The estimated useful life of the intangible asset is 5 years.

1.12 Investments

Investments are included at cost less impairment.

1.13 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.

1.14 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 where 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. Accounting policies (continued)

1.15 Employee Benefits

The company provides a range of benefits to employees including paid holiday arrangements, product discount facilities, and private health insurance, amongst others.

The Company 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.

Share based payments

The Group provides share-based payment arrangements to certain employees.

Equity-settled arrangements are measured at fair value (excluding the effect on non-market based vesting conditions) at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of shares or options that will vest.

Where equity-settled arrangements are modified, and are of benefit to the employee, the incremental fair value is recognised over the period from the date of modification to date of vesting. Where a modification is not beneficial to the employee there is no change to the charge for share-based payment. Settlements and cancellations are treated as an acceleration of vesting and the unvested amount is recognised immediately in the income statement.

1.16 Accounting estimates and judgements

The Group and Company's estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The accounting estimates believed to require the most difficult, subjective or complex judgements and which are the most critical to the reporting of results and financial positions are as follows:

• Impairment of goodwill
The carrying value of goodwill is assessed at least annually to ensure that there is no need for impairment. In accordance with FRS 102, goodwill is reviewed to determine its recoverable amount, being the higher of its value in use or fair value less costs to sell. Value in use is calculated based on the discounted cash flow forecasts. Performing this assessment requires management to estimate future cash flows to be generated by the related cash generating unit, which entails making judgements including the expected rate of growth of sales, margins expected to be achieved, the level of future capital expenditure required to support these outcomes and the appropriate discount rate to apply when valuing future cash flows.

• Impairment of investments
The carrying value of investments is assessed at least annually to ensure that there is no need for impairment. Performing this assessment requires management to estimate future cash flows to be generated by the related investment, which may entail making *judgements including the expected rate of growth in future cash flows, discount rates, future capital expenditure required to support* these outcomes and he appropriate discount rate to apply when valuing future cash flows.

Cash flow projections are based on the group's three year internal forecasts, the results of which are reviewed by the board. The forecasts are extrapolated to five years based on management's expectations. Internal forecasts are built up using management's previous experience and incorporates its view of current economic conditions, restructuring activities that took place before the financial year end and trading expectations. Taking these into account, together with the historical performance and forecasting accuracy, management has concluded that there is no impairment recognised.

• Deferred tax asset
The Company has recognised a significant deferred income tax asset in its financial statements which requires judgement for determining the extent of its recoverability at each balance sheet date. The Group assesses recoverability with reference to Board approved forecasts of future taxable profits. These forecasts require the use of assumptions and estimates. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

• Valuation of stock (see note 1.13)

• Revenue recognition (see note 1.18)

1.17 Provisions

A provision is recognised where the group has a legal or constructive obligation as a result of a past event and it is probable that the outflow of economic benefits will be required to settle the obligation.

1. Accounting policies (continued)

1.18 Turnover

Turnover is measured at fair value and 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. The company operates retail shops and ecommerce sites for the sale of a range of own branded products. Sales of goods are recognised upon sale to the customer, which is considered the point of delivery. Retail sales are usually by cash or payment card. 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 and the time period for rejection has elapsed. Turnover from sales of goods to franchise/wholesale partners is recognised at point of despatch. Turnover from royalties is recognised when earned. Terms of all non 'own' retail activity is explicit within the relevant agreement.

1.19 Expenses

Operating lease
Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and interest payable
Interest payable and similar charges include interest payable, finance charges and net foreign exchange losses that are recognised in the profit and loss account.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest Income and interest payable are recognised in profit and loss as they accrue, using the effective interest method.

1.20 Tax

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

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

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or tax.
Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2. Acquisition of business

On 27 April 2018, the group purchased 50% of the ordinary share capital of Aurora Fashions Asia Limited so that the company is now 100% controlled by the Group.

The acquisition had the following effect on the Group's assets and liabilities

	Recognised values on acquisition
	£m
Trade and other debtors	3.0
Cash	1.4
Trade and other creditors	-4.0
	0.4

£0.4m was paid in cash for the shares.

3. Turnover

Group Turnover: Continuing operations by business activity	25 February 2018 to 2 March 2019 £m	26 February 2017 to 24 February 2018 £m
Retailing	243.0	247.2
Overseas franchising	11.9	15.2
Licensing	0.2	0.2
Wholesaling	13.7	11.9
Services	24.4	0.7
	293.2	275.2

Group Turnover: Continuing operations by geographic region	25 February 2018 to 2 March 2019 £m	26 February 2017 to 24 February 2018 £m
United Kingdom	234.3	235.8
Ireland	20.3	21.3
Germany	0.9	0.8
Rest of Europe	4.3	5.4
Middle and Far East	31.4	9.6
Australasia	0.4	0.1
South America	1.6	2.2
Total turnover	293.2	275.2

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

4. Group operating profit/(loss)

Group operating profit/(loss) is stated after charging:

	25 February 2018 to 2 March 2019 £m	26 February 2017 to 24 February 2018 £m
Depreciation of tangible fixed assets	5.4	5.2
Impairment charge on tangible fixed assets	1.0	0.1
Loss on disposal of tangible fixed assets	0.2	-
Amortisation of goodwill	1.4	1.4
Operating lease rentals - property	19.3	22.6

EBITDA KPI is calculated as follows:

	25 February 2018 to 2 March 2019 £m	26 February 2017 to 24 February 2018 £m
Operating profit	3.5	2.6
Group's share of operating profit in joint venture	-	0.3
Depreciation of tangible fixed assets	5.4	5.2
Impairment charge on tangible fixed assets	1.0	0.1
Loss on disposal of tangible fixed assets	0.2	-
Amortisation of goodwill	1.4	1.4
	11.5	9.6

7. Remuneration of directors

	25 February 2018 to 2 March 2019 £m	26 February 2017 to 24 February 2018 £m
Directors' remuneration	1.2	0.9
Amounts receivable (excluding shares) under long term incentive plans	-	6.5
	1.2	7.4

The remuneration of the highest paid director was £0.6m (2018: £6.8m).

The total number of shares held by directors in office at the balance sheet date under an equity defined share based payment scheme is 3,000.

8. Share based payments

Between November 2015 and August 2016, certain key employees of the Oasis and Warehouse group were issued with 'B' shares in Oasis and Warehouse Holdco 1 Limited. The fair value of the shares was calculated using a weighted average methodology and this has been pro rated from grant date to estimated vesting date in accordance with FRS 102.

The equity settled awards are no longer expected to vest, therefore the equity element of the share based payment scheme referred to above was reversed in the financial statements in the current period.

9. Interest receivable and similar income

	25 February 2018 to 2 March 2019 £m	26 February 2017 to 24 February 2018 £m
Interest receivable on amounts owed by Aurora Group undertakings	2.1	1.9
Net gain on forward currency contracts measured at fair value	3.7	-
Unrealised foreign exchange gain	0.1	-
	5.9	1.9

10. Interest payable and similar charges

	25 February 2018 to 2 March 2019 £m	26 February 2017 to 24 February 2018 £m
Interest payable on amounts owed to Aurora Group undertakings	4.1	3.8
Bank charges	0.2	0.2
Unrealised foreign exchange loss	-	0.2
Net loss on forward currency contracts measured at fair value	-	6.4
	4.3	10.6

11. Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	25 February 2018 to 2 March 2019 £m	26 February 2017 to 24 February 2018 £m
UK corporation tax		
Current tax	0.2	0.1
Deferred tax		
Origination and reversal of timing differences	-1.1	-0.4
Adjustments in respect of prior periods	-0.3	-
Change in tax rate	-	-
Tax on profit/(loss)	-1.2	-0.3

Reconciliation of effective tax rate

	25 February 2018 to 2 March 2019 £m	26 February 2017 to 24 February 2018 £m
Profit/(loss) after tax	2.8	-9.7
Total tax credit/(expense)	1.2	0.3
Profit/(loss) before tax	1.6	-10.0
Tax using the UK corporation tax rate of 19.00% (2018: 19.08%)	0.3	-1.9
Fixed asset differences	0.4	0.2
Expenses not deductible for tax purposes	0.1	1.0
Income not taxable for tax purposes	-0.3	-
Adjustments to brought forward values	-	-0.2
Group relief surrendered	0.1	0.1
Adjustments in respect of prior periods (foreign tax)	0.1	-
Adjustments in respect of prior periods (deferred tax)	-0.3	-
Adjust closing deferred tax to average rate	0.9	1.0
Adjust opening deferred tax to average rate	-1.0	-0.9
Deferred tax not recognised	-1.5	0.4
Total tax credit for the period	-1.2	-0.3

All movements in current tax in the period are recognised through the Profit and loss account.

Factors that may affect future 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 amounts to £10.0m at the balance sheet date (2018: £8.6m).

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 2 March 2019 has been calculated based on these rates.

12. Intangible assets and goodwill

	Group Goodwill £m	Group Trademarks £m	Total Intangibles and Goodwill £m
Cost			
At 25 February 2018 and 2 March 2019	27.2	0.2	27.4
Amortisation			
At 25 February 2018	12.2	0.1	12.3
Charge for the period	1.4	-	1.4
At 2 March 2019	13.6	0.1	13.7
Net Book Value			
At 2 March 2019	13.6	0.1	13.7
At 24 February 2018	15.0	0.1	15.1

Amortisation

The amortisation is recognised in administrative expenses in the profit and loss account.

13. Tangible fixed assets

	Group			
	Short leasehold and improvements £m	Fixtures and fittings £m	Computer hardware and software £m	Total £m
Cost				
At 24 February 2018	2.0	54.7	16.5	73.2
Adjustment arising from changes in foreign currency exchange rates	-	-0.3	-	-0.3
Additions	-	2.6	2.7	5.3
Disposals	-0.1	-3.3	-1.7	-5.1
At 2 March 2019	1.9	53.7	17.5	73.1
Depreciation				
At 24 February 2018	1.2	46.0	10.5	57.7
Adjustment arising from changes in foreign currency exchange rates	-	-0.3	-	-0.3
Charge for the period	0.1	2.9	2.4	5.4
Impairment charge	0.1	0.8	0.1	1.0
Disposals	-	-3.2	-1.7	-4.9
At 2 March 2019	1.4	46.2	11.3	58.9
Net book value				
At 2 March 2019	0.5	7.5	6.2	14.2
At 24 February 2018	0.8	8.7	6.0	15.5

Impairment charges totalling £1.0m have been made in 12 stores. On the basis that 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. Impairment charges are recognised in administrative expenses through the profit and loss account.

14. Fixed asset investments

	Company Subsidiary undertakings £m
Cost	
At 24 February 2018	92.3
Additions	0.2
At 2 March 2019	92.5
Provisions	
At 24 February 2018	4.7
Impairment charge	0.2
At 2 March 2019	4.9
Net Book Value	
At 2 March 2019	87.6
At 24 February 2018	87.6

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

The Company's undertakings at the end of the period are as follows:

Subsidiary undertakings	Country of incorporation	Principal activity	Class and percentage of shares held
Directly owned:			
A Fashions Sweden AB	Sweden	Retail	Ordinary - 100%
Bastyan Fashions Limited	UK	Retail	Ordinary - 100%
Oasis Fashions Holdings Limited	UK	Holding	Ordinary - 100%
Warehouse Fashions Holdings Limited	UK	Holding	Ordinary - 100%
Indirectly owned:			
Aurora Fashions Asia Limited	Hong Kong	Service	Ordinary - 100%
Aurora Fashions Services Limited	UK	Service	Ordinary - 50%
Oasis Fashions Retail Limited	UK	Property	Ordinary - 100%
Oasis Fashions Ireland Limited	Ireland	Retail	Ordinary - 100%
Oasis Fashions Limited	UK	Retail	Ordinary - 100%
Warehouse Retail Limited	UK	Property	Ordinary - 100%
Warehouse Fashions Limited	UK	Retail	Ordinary - 100%
Warehouse Fashions Ireland Limited	Ireland	Retail	Ordinary - 100%

In September 2019 the group acquired The Idle Man, a British online menswear fashion brand.

The registered address of the UK companies is The Triangle, Stanton Harcourt Industrial Estate, Stanton Harcourt, Witney, Oxfordshire, OX29 5UT.

The registered address of the Irish companies is 5th Floor, Beaux Lane House, Mercer Street Lower, Dublin 2.

The registered address of Aurora Fashions Asia Limited is 18th Floor, Prosperity Centre, 25 Chong Yip Street, Kwun Tung, Kowloon, Hong Kong.

The registered address of A Fashions Sweden AB is Stora Marknadsvagen 15, 183 34 Taby, Sweden.

15. Stocks

	2 March 2019		24 February 2018	
	Group	Company	Group	Company
	£m	£m	£m	£m
Raw materials and consumables	0.1	-	0.1	-
Finished goods and goods for resale	30.3	-	27.3	-
	30.4	-	27.4	-

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

Raw materials, consumables and finished goods and goods for resale recognised as cost of sales in the year amounted to £120.2 million (2018: £104.6 million).

16. Debtors

	2 March 2019		24 February 2018	
	Group	Company	Group	Company
	£m	£m	£m	£m
Trade debtors	14.0	0.1	10.7	0.1
Amounts owed by Group undertakings	-	60.4	-	59.8
Other debtors	0.6	-	1.0	-
Prepayments and accrued income	5.7	0.1	5.1	0.1
Corporation tax	0.2	0.1	0.1	0.1
Other taxation and social security	-	0.6	-	0.1
Deferred tax asset (note 21)	5.5	-	4.1	-
	26.0	61.3	21.0	60.2
Due within one year	20.5	29.5	16.9	25.9
Due after more than one year	5.5	31.8	4.1	34.3

Within amounts owed to the Company by Group undertakings, £20.1m (2018: £20.5m) is unsecured, interest free, has no fixed date of repayment and is repayable on demand. In addition, £40.3m (2018: £39.3m) is owed 50% by Oasis Fashions Holdings Limited and 50% by Warehouse Fashions Holdings Limited and these amounts are subject to the same terms as the loans and overdrafts with Aurora Group undertakings as detailed in note 20.

Amounts owed by and to Group undertakings have been shown gross in the current and prior year as the directors feel this is more representative of the contractual position.

17. Cash and cash equivalents

	2 March 2019		24 February 2018	
	Group	Company	Group	Company
	£m	£m	£m	£m
Cash at bank and in hand	15.3	8.7	21.8	14.7
Overdrafts (note 20)	-5.0	-5.0	-5.0	-5.0
Cash and cash equivalents per cash flow statement	10.3	3.7	16.8	9.7

18. Creditors: amounts falling due within one year

	2 March 2019		24 February 2018	
	Group	Company	Group	Company
	£m	£m	£m	£m
Loans and overdrafts with Aurora Group undertakings (see note 20)	8.5	8.5	5.0	5.0
Amounts owed to Group undertakings	2.2	23.5	1.8	25.1
Trade creditors	7.1	-	6.4	-
Other taxes and social security costs	2.6	0.9	3.6	0.8
Other creditors	5.3	-	1.7	-
Accruals and deferred income	22.7	2.0	29.5	6.1
Provisions	1.6	-	1.0	-
	50.0	34.9	49.0	37.0

Amounts owed to Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Since 2 March, the termination dates of the loans and overdrafts with the Aurora Group have been extended. Further details can be found in note 20. As a result, loans currently classified as falling due in less than one year at the balance sheet date will be reclassified as falling due in more than one year in the Group's next financial statements to be published.

19. Creditors: amounts falling due after one year

	2 March 2019		24 February 2018	
	Group	Company	Group	Company
	£m	£m	£m	£m
Loans and overdrafts with Aurora Group undertakings (see note 20)	31.8	31.8	34.3	34.3
Accruals and deferred income	1.8	0.2	1.9	0.3
	33.6	32.0	36.2	34.6

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

Since 2 March, the termination dates of the loans and overdrafts with the Aurora Group have been extended. Further details can be found in note 20. As a result, loans currently classified as falling due in less than one year at the balance sheet date will be reclassified as falling due in more than one year in the Group's next financial statements to be published.

20. Interest-bearing loans and borrowings

The loans referred to in notes 18 and 19 are with Aurora Fashions Finance Limited, a fellow Aurora Group subsidiary.

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

	2 March 2019		24 February 2018	
	Group	Company	Group	Company
	£m	£m	£m	£m
Creditors falling due within one year				
Overdraft	5.0	5.0	5.0	5.0
Secured Loans	3.5	3.5	-	-
Creditors falling due within one year	8.5	8.5	5.0	5.0

	2 March 2019		24 February 2018	
	Group	Company	Group	Company
	£m	£m	£m	£m
Creditors falling due after more than one year				
Secured loans	31.8	31.8	34.3	34.3

Terms and debt repayment schedule:	Interest rate	2 March 2019		24 February 2018	
		Group	Company	Group	Company
		£m	£m	£m	£m
Overdraft, repayable on demand	5.00%	5.0	5.0	5.0	5.0
Facility A, repayable 50% on 2 October 2019 and 50% on 2 October 2020	5.00%	7.0	7.0	6.8	6.8
Facility B, repayable on 2 October 2020	5.00%	27.7	27.7	27.0	27.0
Term-out Loan, repayable on 2 October 2020	5.00%	0.6	0.6	0.5	0.5
		40.3	40.3	39.3	39.3

As at September 2019, the repayment dates of the group's secured loans have been extended from October 2019 to October 2022. The revised terms have been amended to permit the senior loan repayments falling due in less than one year and after more than one year to be deferred until a termination date of October 2022, at which point 100% of the loan values will become due. As a result, loans currently classified as falling due in less than one year at the balance sheet date will be reclassified as falling due in more than one year in the Group's next financial statements to be published. Future financial covenant targets have also been adjusted through to the maturity of the loan. The directors consider that a new finance facility will be available from October 2022.

21. Deferred taxation

The deferred tax asset is attributable to the following:	2 March 2019		24 February 2018	
	Group £m	Company £m	Group £m	Company £m
The deferred tax asset comprises:				
Accelerated capital allowances:	4.9	-	3.8	-
Short-term timing differences	0.1	-	0.1	-
Tax losses	0.5	-	0.2	-
Deferred tax asset	5.5	-	4.1	-

	Group £m	Company £m
Movement on deferred tax asset:		
At the start of the period	4.1	-
Profit and loss account	1.4	-
At the end of the period	5.5	-

All movements in deferred tax in the period are recognised through the Profit and loss account.

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 also an unrecognised deferred tax asset of £2.6 million (2018: £3.8 million) in respect of accelerated capital allowances, short term timing differences 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.

22. Employee benefits

The company provides a range of benefits to employees including paid holiday arrangements, product discount facilities, and private health insurance, amongst others.

During the period there were no advances to Directors.

Certain employees of the Group participate in an equity settled share based payment scheme. The shares vest on a trigger event. A share based payment expense was recognised in Warehouse Fashions Limited in the previous period. A trigger event based on the original vesting date has passed, and as such the original expense has been reversed in the current period.

Post-retirement benefits
In October 2013, in accordance with government legislation, all eligible employees were auto-enrolled into a state qualified pension scheme. In addition, contributions are made to specific employees' personal pension plans.

The total expense relating to these plans in the current year was £0.4m (2018: £0.4m).

23. Share capital

	Group and Company 2 March 2019 £m	Group and Company 24 February 2018 £m
Allotted, called up and fully paid:		
99,859,460 Ordinary shares of £0.80	79.9	79.9

Holders of Ordinary shares are entitled to one vote in any circumstance per share held, and an equal share of dividends.

24. Reserves

Shareholder contribution	2 March 2019 Group £m	2 March 2019 Company £m	24 February 2018 Group £m	24 February 2018 Company £m
At the start of the period	2.2	-	1.7	-
Amounts received in respect of share based payment	-2.2	-	0.5	-
At the end of the period	-	-	2.2	-

Profit and loss account	2 March 2019 Group £m	2 March 2019 Company £m	24 February 2018 Group £m	24 February 2018 Company £m
At the start of the period	-66.5	11.0	-56.9	11.6
Differences in the net investment in foreign enterprises arising from changes in foreign currency exchange rates	-0.2	-	0.1	-
Profit/(loss) for the period	2.8	-0.2	-9.7	-0.6
At the end of the period	-63.9	10.8	-66.5	11.0

25. Financial instruments

The carrying amount of financial assets and liabilities include:

	2 March 2019 £m	24 February 2018 £m
(Liabilities) / assets measured at fair value through profit or loss	-1.0	-4.7

The financial assets or liabilities held by the Oasis and Warehouse Group at the balance sheet date are representative of the fair value of forward foreign exchange contracts held by the Group for use in the following financial period.

The fair value of forward foreign exchange contracts is based on their listed market price. The gain or loss is calculated as the difference between the contractually agreed rate and the market rate that could be achieved if you entered into the same contract at the balance sheet date.

26. Operating leases

Non-cancellable operating lease rentals are payable as follows:

Group	2 March 2019 £m	24 February 2018 £m
Within one year	16.6	18.9
Between two and five years	35.9	47.3
Over five years	13.6	18.5
	66.1	84.7

During the year £19.3 million was recognised as an expense in the profit and loss account in respect of operating leases (2018: £22.6 million).

During the period £0.5 million was recognised as an expense in the profit and loss account in respect of onerous leases across 5 stores (2018: nil).

27. Guarantees and commitments

Certain companies within the Oasis and Warehouse Group, the 'banking subgroup', are party to the terms of a Senior Facilities Agreement (the "SFA") with Aurora Fashions Finance Limited ("AFFL"). The banking subgroup under the obligations of their SFA has a number of trading subsidiaries party to the SFA as Guarantors, the values of which are disclosed within the respective company accounts. Under the terms of the 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 subgroup 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.

28. Related parties

The Group has a related party relationship with its directors, with the undertakings which form the Aurora Group and with its ultimate parent company, Kaupthing ehf.

The Company has taken advantage of the exemption in Financial Reporting Standard FRS 102 33.1A Related Parties Transactions not to disclose transactions with fellow wholly owned subsidiary undertakings of the group headed by Aurora Fashions Group Limited.

Transactions with key management personnel
Total compensation of key management personnel in the year amounted to £3.3m (2018: £5.6m). In the previous period, the amounts disclosed included long-term benefits totalling £3.2m paid by a parent company to Key management for services rendered to the company.

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

The immediate parent company is Oasis and Warehouse Holdco 2 Limited, a company incorporated in England and Wales.

The registered address of Oasis and Warehouse Holdco 2 Limited is The Triangle, Stanton Harcourt Industrial Estate, Stanton Harcourt, Witney, Oxfordshire, OX29 5UT.

The ultimate parent company and ultimate controlling party is Kaupthing ehf., a company incorporated in Iceland.

The registered address of Kaupthing ehf. is Borgartun 26, IS-105 Reykjavik, 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.

30. Post balance sheet events

As at September 2019, the repayment dates of the group's secured loans have been extended from October 2019 to October 2022. The revised terms have been amended to permit the senior loan repayments falling due in less than one year and after more than one year to be deferred until a termination date of October 2022, at which point 100% of the loan values will become due. As a result, loans currently classified as falling due in less than one year at the balance sheet date will be reclassified as falling due in more than one year in the Group's next financial statements to be published. Future financial covenant targets have also been adjusted through to the maturity of the loan. The directors consider that a new finance facility will be available from October 2022.

In September 2019 the group acquired The Idle Man, a British online menswear fashion brand. This represents the Group's entry into menswear and to reach scale, the brand will have access to the Group's industry experience, established supply chain and infrastructure.