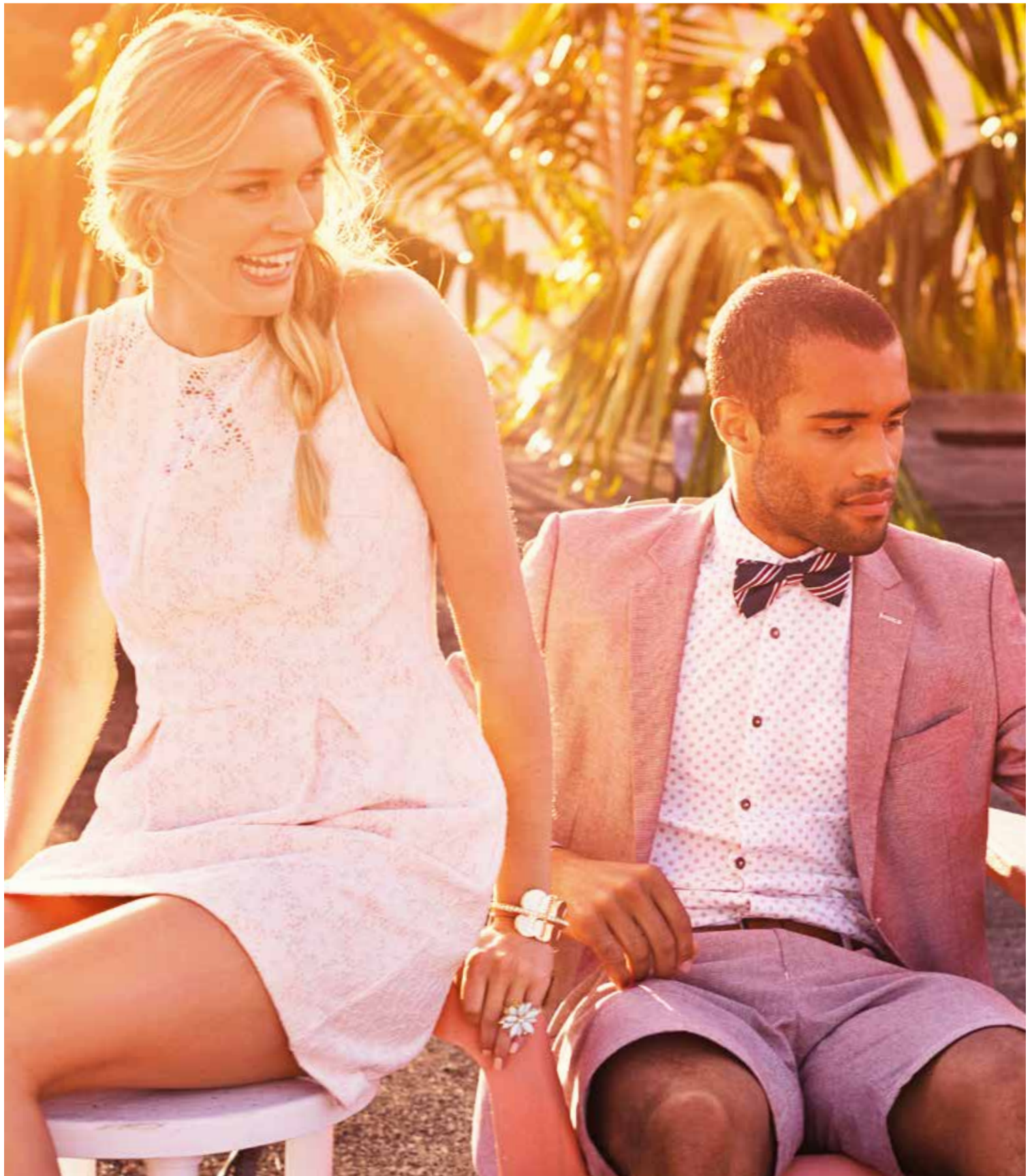




NEW LOOK

NEW LOOK RETAIL GROUP LIMITED
ANNUAL REPORT 2014



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OVERVIEW

We deliver fashionable product and great value, helping people express themselves, look good and feel great



A Global Retailer

KEY

- Owned stores
- Franchise
- Ecommerce
(Own website & 3rd Party partners)

Store numbers

New Look International Franchise

Armenia	2
Azerbaijan	1
Bahrain	3
Georgia	2
Indonesia	12
Kazakhstan	1
Kuwait	2
Libya	2
Malta	3
Romania	7
Russia	20
Saudi Arabia	39
Singapore	7
Thailand	1
UAE	17
Ukraine	6

New Look Owned

Belgium	10
China	5
France	28
Germany	8
Netherlands	13
Poland	10
Republic of Ireland	29
UK	576

Mim Owned

Belgium	4
France	272

Mim Affiliate

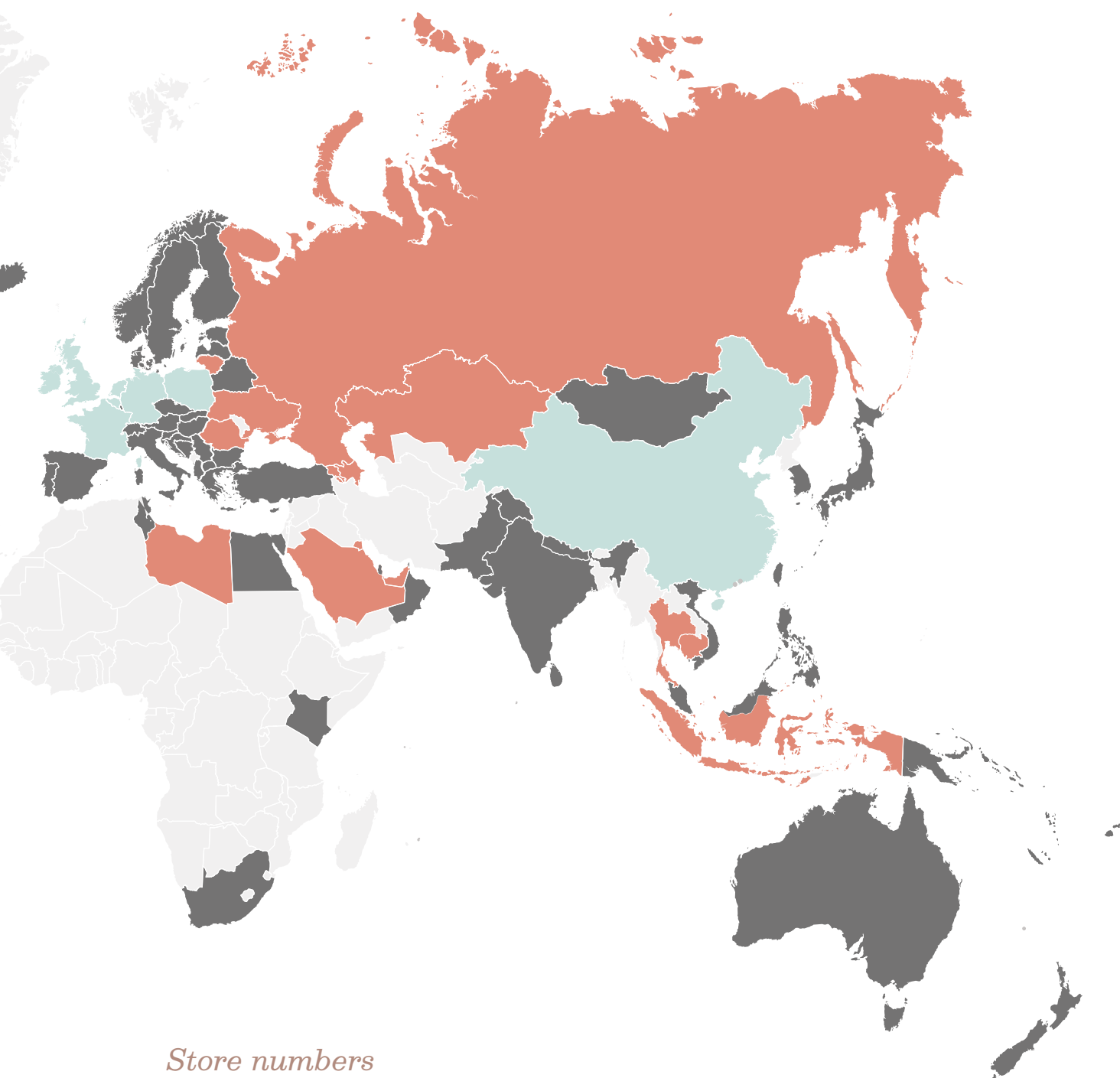
France	74
Morocco	4
Romania	2

Total 125

Total 679

Total 356





Store numbers

	FY10	FY11	FY12	FY13	FY14
New Look UK Stores	602	607	600	589	576
New Look International	109	144	183	213	228
New Look Brand	711	751	783	802	804
Mim inc Affiliates*	307	300	316	336	356
Group	1,018	1,051	1,099	1,138	1,160

* For an explanation of the affiliate model see Strategic Business Model page 34

UK's #1 Favourite Fashion Retailer[†]

Who we are and what we do

Founded in 1969, New Look has grown from a single store to become a dynamic, international, multichannel retail brand with a unique value-fashion offer in apparel, footwear and accessories for women, men and teenage girls. Our affordable take on celebrity style and fashion trends aims to help people express themselves, look good and feel great.

We're proud to be Britain's second-biggest womenswear retailer*. We have the largest share of the UK's combined apparel, footwear and accessories market for women under 35*, and, in December 2013, we were thrilled to be named Britain's favourite fashion brand in the authoritative annual Fashion Brands Index**.

Our estate of 576 UK stores places New Look in immediate reach of the majority of the British population. The Group has as many stores beyond the UK, trading either as New Look or as Mim. Our fast-growing E-commerce business at newlook.com currently serves over 120 countries worldwide, and our E-commerce channels including 3rd Party partnerships now account for £1 in every £10 spent with us.

Our business model

New Look operates a flexible, fast-fashion business model that allows us to react quickly to emerging trends and deliver exciting, fashionable product ranges with a constant sense of newness.

Although our attractive price architecture positions New Look in the value sector, we strive for 'best in class' service standards as well as a consistent 'one voice' customer experience across all channels and markets.

Whilst the UK remains New Look's single biggest market, we have an increasingly important international foothold. We've also embraced new opportunities of the digital era, becoming a truly multichannel business. Now, as well as at New Look stores throughout the UK and overseas, customers shop with us online at newlook.com, via our mobile app, or through 3rd Party E-commerce partners. Additionally, they engage with us on Facebook, Twitter, YouTube and our other social media platforms.

† Results based on survey of 10,000 respondents by brand recommendation site, dressipi.com.
* Year to March 2014 (by value), as measured by Kantar Worldpanel
** Measures from CACI Retail Footprint

Total sales were **£1,528.8 million** with gross profit of **£805.9 million**

Significant growth of **£58.4 million** in E-commerce

3rd Party E-commerce has extended our **global reach**

Significant advances towards our strategic goal of **international expansion**

Transformational **bond refinancing**

Key operational achievements of Financial Year ended 29 March 2014 (FY14)

.....

We're pleased that FY14 proved another progressive year for New Look, despite the continuing challenges of economic uncertainty, low consumer confidence and competition. Total sales were £1,528.8 million (FY13*: 1,484.0 million) with gross profit of £805.9 million (FY13*: £785.1 million), and Adjusted EBITDA** of £200.2 million (FY13*: £189.2 million).

We also achieved significant growth of £58.4 million, or 63.9%, in E-commerce, partly driven by important enhancements to the functionality, design and content of our transactional website at newlook.com. Within the UK, more customers than ever before used our *Click and Collect* and *Order In Store* services. Our new in-house fulfilment facility at Lymedale fully supports our increasing online sales and extended range of delivery options.

FY14 also saw important developments in 3rd Party E-commerce. Building on the success of our partnership with ASOS, we signed agreements with a further 6 partners, spanning 3 continents. This has extended our global reach, giving us exposure in markets where we previously had little or no presence. We're very encouraged by the initial performance of these new channels.

In May 2013, we completed our transformational bond refinancing, providing an improved capital structure and extending maturities for five years. Before the year-end, we made 2 significant advances towards our strategic goal of international expansion. In February we were able to buy back our Polish franchise business, giving us an exciting opportunity to develop our foothold in a market where the New Look brand is already known. Then, most significantly of all, we successfully launched New Look in China - unleashing a major brand-awareness marketing campaign and initiating a vibrant social media presence on key Chinese platforms ahead of our store openings in Beijing, Shanghai and Hangzhou during late February and early March.

* FY14 on 52 week basis, FY13 comparative on 53 week basis. For full discussion see Financial Review
 ** For a full definition of Adjusted EBITDA see page 51 in the Financial Review



Financial Highlights



Group revenue increased by
£44.8 million to
£1,528.8 million*

New Look brand[†] revenue^{††}
increased by **£36.3 million**
to **£1,396.6 million***

Group LFL^{**} sales were **+2.2%**

New Look brand LFL sales
were **+2.7%**

Group Adjusted EBITDA^{**}
increased by **5.8%***

New Look Brand Adjusted
EBITDA increased by
£20.1 million*

Group underlying operating profit
increased by **11.3%***

New Look Brand underlying
operating profit increased
by **£21.8 million***

Group loss after tax declined by
£57.0 million to £53.6 million
following the non-recurring
impairment of Mim's net assets
of **£64.2 million**

* FY14 on a 52 week basis, FY13 comparative on a 53 week basis. For a fuller discussion of the financial results see the Financial Review.

** For a full definition of terms see the Financial Review.

† New Look Brand refers to New Look owned and franchise stores, and Total E-commerce.

†† Revenue is based on Gross Transactional Value excluding adjustment for concession income on a net basis for statutory reporting purposes.



*We're the UK's
largest clothing &
accessories retailer
for the under 35s**

*We're the UK's
No.1 for dresses**



*We're No.2 for
women's footwear in
the UK**



*We're No.2 retailer
for womenswear in
the UK**



*We've successfully
opened 5 new
stores in China*

*We now have 7
3rd Party
E-commerce
partners reaching
195 countries*



*We've achieved
63.9% growth in
our E-commerce
channels in FY14**

*We've bought back our
Polish franchise of
10 stores*

Positive growth in Adjusted EBITDA

*E-commerce channels
performed strongly*

Successful launch into China

*I am completely confident that New
Look will continue to flourish under
Anders and his team*

Alistair McGeorge



CHAIRMAN'S STATEMENT

New Look delivered another credible performance for FY14. We achieved positive growth in Adjusted EBITDA, and we maintained our market share despite the challenges of competition and uneven trading patterns.

In the first half, our spring/summer ranges performed exceptionally well, however, despite improvements to transitioning between seasons, prolonged hot weather diminished initial demand for our autumn/winter ranges. As Christmas approached, high street shoppers held out for discounts and delayed purchases. Much of the high street reacted with aggressive price-cutting, but we managed our promotional activity carefully. While this allowed us to trade longer at full price, we had higher stock levels to clear during the main winter sale period from Boxing Day and on through January.

Pleasingly, our E-commerce channels performed strongly throughout the entire year. In fact, our online shopping proposition at newlook.com goes from strength to strength. We have also sustained our strong presence in social media, developing further platforms and achieving enviable levels of engagement. On Facebook alone, we now have close to 3 million people 'liking' us.

Our leadership team has seen a few changes this year, and I want to commend the Board for ensuring consistency of approach and a steady hand throughout. At this time, I'd especially like to acknowledge the contribution of our former CFO, Alastair Miller, who stepped down from the Board after 14 years. His commitment to the business has been exemplary, and, following the success of last May's transformational bond refinancing, he leaves New Look in excellent shape for the future.

The business is already in an exciting new era, with Anders Kristiansen completing his first full year as CEO. As well as providing a greatly improved capital structure, our refinancing gives him and his team a further 4 year runway to fulfil their strategic goals, particularly in multichannel development and international expansion. One of this progressive year's most exciting and significant achievements was our successful launch into China. Of course, marketing costs were incurred in the final quarter, as we did

all we could to support entry to this important new market. Our first 5 stores successfully opened before the year-end, and more are planned for FY15.

None of our successes would be possible without our great people. To deliver the exceptional experience and great service our customers expect and deserve, we have dedicated teams in Support Centres in London, Weymouth, Lyndale, Paris and Shanghai, supporting employees in stores around the world. I'd like to thank each of them for their hard work and commitment.

I am proud of what New Look has achieved during my time here. The success of our turnaround plan has enabled us to re-invest in the business, and as a result, our brand identity has never been better defined. Already, over 40% of New Look's UK estate has been refitted in our new 'concept' format, generating performance improvements. Our developments in infrastructure and technology will be key to realising the best in class customer experience and service options crucial to our future growth.

Now, as I prepare to depart, I know I am leaving the business in good hands. In the short term, Tom Singh is taking over as Interim Non-Executive Chairman, and I am completely confident that New Look will continue to flourish under Anders and his team.

Alistair McGeorge
NON-EXECUTIVE CHAIRMAN
23 May 2014

*I am pleased with our achievements...
we've delivered a good result*

*A year of important advances towards
fulfilling our international ambitions*

*We developed new channels in
3rd Party E-commerce*

*We remain committed to
delivering our strategic goals*

Anders Kristiansen



CEO'S STATEMENT

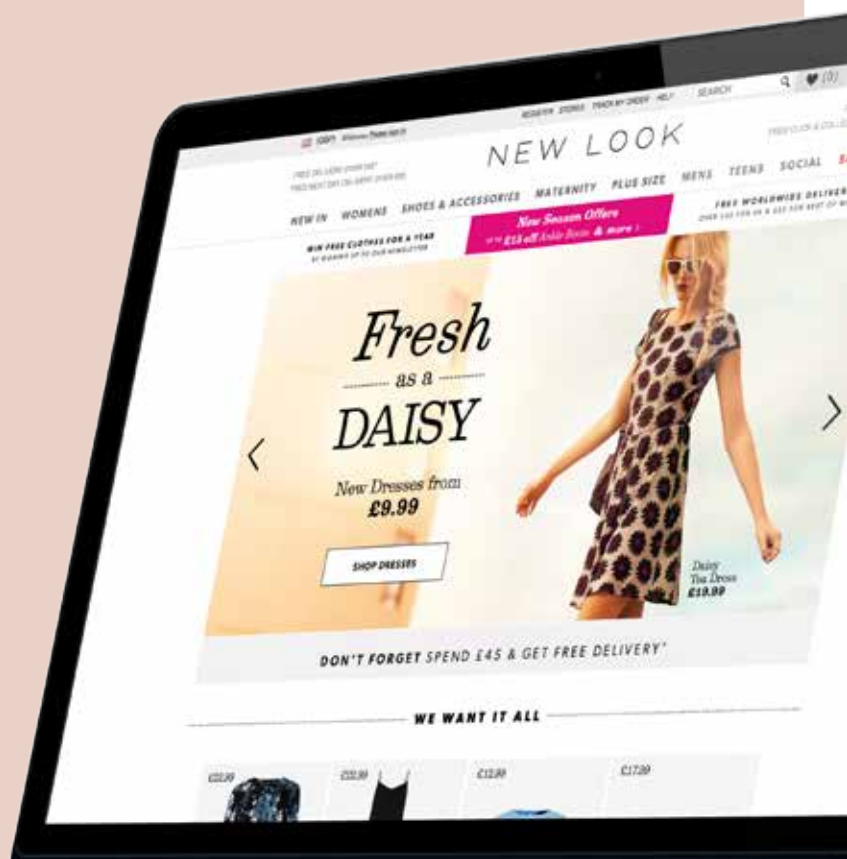
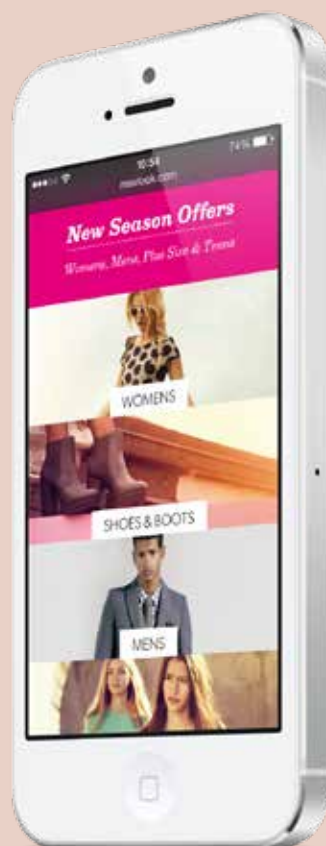
Looking back over my first financial year here at New Look, I am pleased with our achievements. Despite continuing economic uncertainties and competition, we've delivered a good result and maintained our market share of circa 5.8% (by value). The strength of our performance has allowed us to implement our strategic review and invest further in the future of our business.*

Amongst the year's highlights and notable successes, we continued our strong growth in our E-commerce activities. E-commerce sales were + 63.9% (own website 42.3%) and we developed new channels in 3rd Party E-commerce. It was also a year of important advances towards fulfilling our international ambitions. As well as buying back our franchise business in Poland, we successfully opened our first New Look stores in China.

We continued to roll out our distinctive new brand identity across our estate, our product ranges and all our marketing activities. During FY14, a further 119 stores were shopfitted in our new 'concept' format, generating an uplift in gross profit performance compared to unconverted stores.

Our investment programme continues as we remain committed to delivering our strategic goals of international expansion plus continued growth and development across all channels of our business.

* Year to March 2014, according to measures of Kantar Worldpanel.



Multichannel

Our online sales continued their strong growth, advancing by 63.9% (own website 42.3%). This not only reflects our customers' changing shopping behaviour, but also enhancements made to our web platform. We've been investing in IT developments and improving delivery options to realise our goal of a best in class customer experience.



As well as significant enhancements to the design and functionality of our transactional website, we've responded to customers' increasing use of mobile devices such as smartphones and tablets to inform their choices or make purchases. Our upgraded mobile experience ensures customers can browse and buy all products while they're on the move.

Our retail stores remain a core channel to market for us, particularly in the UK, where our 576 locations give us extensive geographical reach. Our stores have also become an integral part of the multichannel shopping experience as more than 1 in 4 of our online shoppers are now using our *Click and Collect* service, and our

Order In Store option (which counters availability issues and gives easy access to our complete product range) is increasingly popular.

In the light of our successes with our initial partners, we've identified the potential of 3rd Party E-commerce. Most of the sales of New Look product made by our 3rd Party partners come from outside the UK, providing an extremely encouraging validation that the New Look brand resonates with an international audience.





International

One of our key strategies is international expansion. We've identified 4 strategic international markets that we will focus on: China, Poland, Russia and Germany.

In the first quarter, we appointed a local Managing Director for China, and the strong team we have built allowed us to launch our first 5 stores in Beijing, Shanghai and Hangzhou on plan in the final quarter of the year. We have further Chinese stores due to open in the new financial year. We're encouraged by the strong demand for our affordable take on fashion trends validated by customer reaction, high levels of local press coverage and social media interest.

Also in the final quarter of FY14, we bought back our franchise business in Poland and appointed a local Managing Director. As well as launching a local E-commerce proposition during FY15, we will invest to grow our Polish presence from our existing base of 10 stores.

Following our strategic review, Mim is not a strategic focus for the Group. As a result of the disappointing performance in FY14, an impairment has been recognised on Mim's net assets.

We aim to find a strategic partner to acquire our Russian business from the current franchisee during FY15, allowing us to strengthen our presence in this market.

We're currently considering how best to build on the success of our existing 8 concessions in Germany, and our first step is to launch a German language transactional website during FY15.



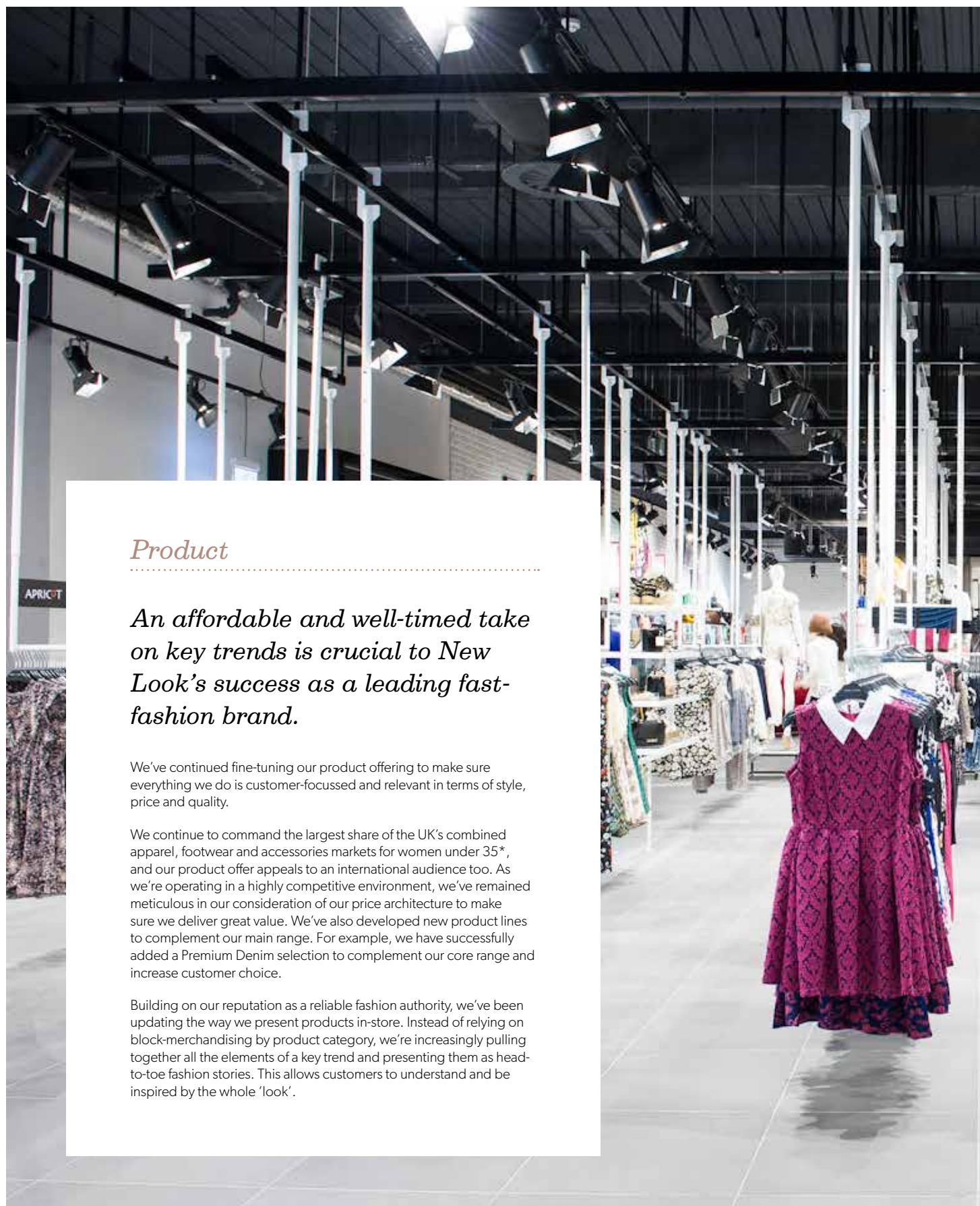


Brand

New Look already occupies a unique position in the value-fashion market. We've concentrated this year on understanding and consolidating what the New Look brand stands for and what it means to our customers and other stakeholders.

Crucial to future success is our ability to deliver a consistent brand experience across all channels and in every New Look store globally. Our refurbishment programme allows us to offer a more engaging shopping environment; it's also driving a significant improvement in performance. The 119 stores shopfitted during FY14 (taking our total number of 'concept' stores to 264) continue to generate a positive uplift in gross profit compared to unconverted stores.

FY14 was also the year in which we rolled out our distinctive new logo. As well as now appearing on everything from our carrier bags and swing-tickets to garment labels and hangers, this clean, elegant rendering of our brand name will front every New Look store by the end of FY15.



Product

An affordable and well-timed take on key trends is crucial to New Look's success as a leading fast-fashion brand.

We've continued fine-tuning our product offering to make sure everything we do is customer-focussed and relevant in terms of style, price and quality.

We continue to command the largest share of the UK's combined apparel, footwear and accessories markets for women under 35*, and our product offer appeals to an international audience too. As we're operating in a highly competitive environment, we've remained meticulous in our consideration of our price architecture to make sure we deliver great value. We've also developed new product lines to complement our main range. For example, we have successfully added a Premium Denim selection to complement our core range and increase customer choice.

Building on our reputation as a reliable fashion authority, we've been updating the way we present products in-store. Instead of relying on block-merchandising by product category, we're increasingly pulling together all the elements of a key trend and presenting them as head-to-toe fashion stories. This allows customers to understand and be inspired by the whole 'look'.

*Year to March 2014 (by value), according to measures of Kantar Worldpanel



NEW LOOK

People

From the outset, I've been impressed by the passion and enthusiasm of the people at New Look, and none of this past year's achievements would have been possible without their commitment and hard work. I want to thank them all for their support.

Everyone at New Look recognises that we're on a journey, and we've continued to broadcast our leadership message across every area of the business. Our teams right across our global retail network and in each of our support centres are inspired by and share the same brand values: think customer; be brave; take responsibility; keep it simple; act with pace.





There has been great progress against our strategic objectives during FY14, and we have delivered on what we set out to achieve this year.

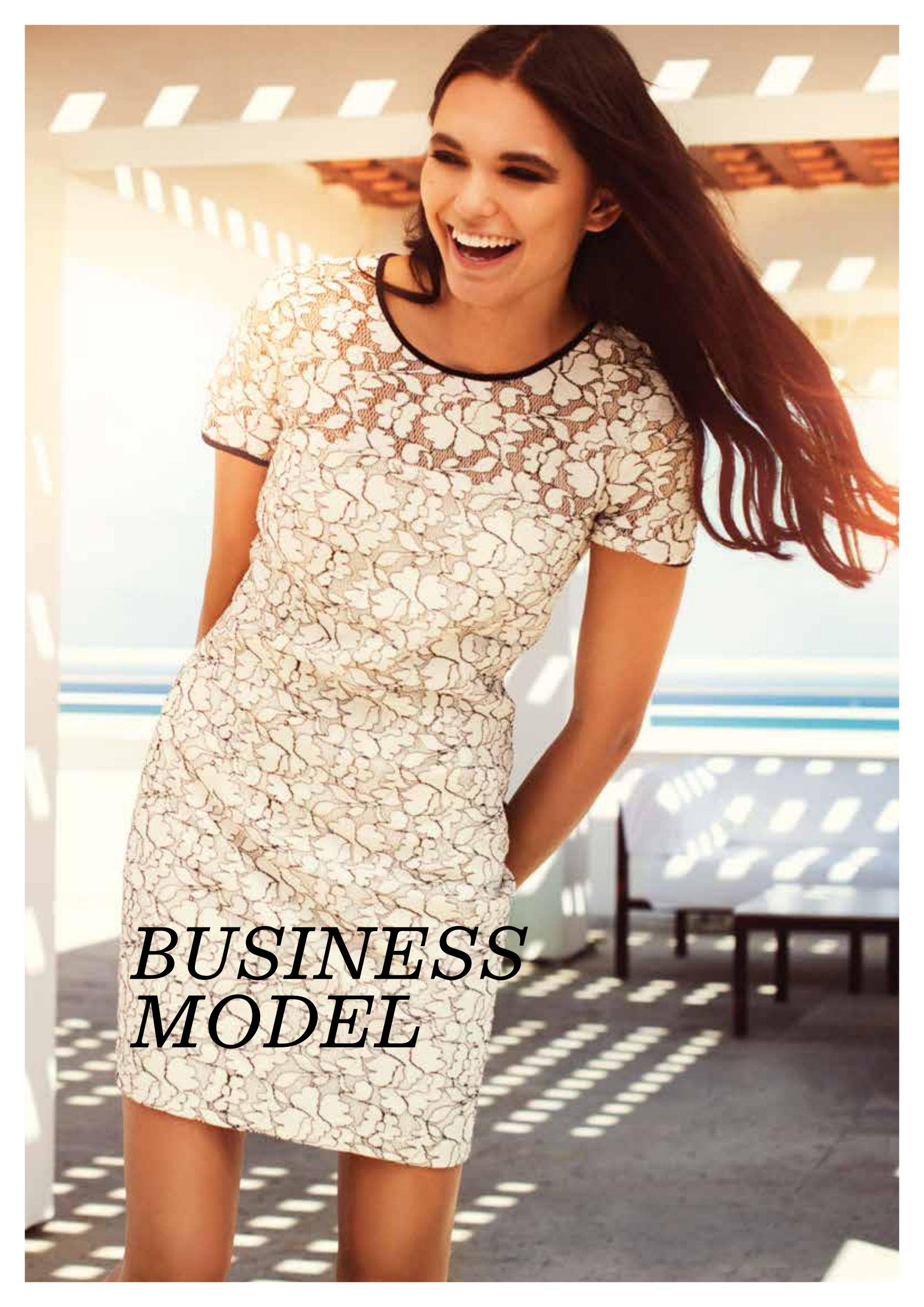
While remaining vigilant on costs, we will continue to invest in identified growth areas such as E-commerce and international expansion. While we expect the retail environment to become ever more competitive, and we will certainly monitor consumer confidence and spending patterns very closely, New Look is going into the new financial year in a good position to meet the challenges that lie ahead.

Anders Kristiansen
CHIEF EXECUTIVE OFFICER
23 May 2014



STRATEGIC REPORT



A woman with long dark hair is smiling and looking down, wearing a short-sleeved, knee-length dress with a white and gold floral pattern. She is standing in a modern, brightly lit interior space with large windows and a patterned ceiling. The text "BUSINESS MODEL" is overlaid on the lower part of the image.

BUSINESS MODEL



Our place in the market

The UK clothing market in 2014 is forecast by Verdict to have a total value of £41.0 billion.*

New Look operates in the value clothing segment, which, with an estimated value of £12.5bn, currently represents 30.4% of the overall UK clothing market*.

Widely popular for our affordable take on key fashion trends, we're Britain's second largest womenswear retailer and 45% of all UK female adults and teens shopped with us at least once during calendar year 2013**.

As well as our UK store network, we have a significant international store presence and a fast-growing E-commerce proposition. Now, following our strategic review, we've identified the strategic focus and objectives for the five pillars of the New Look business: multichannel, international, brand, product and people.

* Copyright © 2014, Verdict, Value Clothing UK: Market Forecast 25 April 2014, reproduced with permission of Verdict.

** Year to March 2014 (by value), as measured by Kantar Worldpanel.



Multichannel

Our objective is for our E-commerce and retail propositions to be best in class, and to share our unique brand personality through a seamless customer experience across all channels.

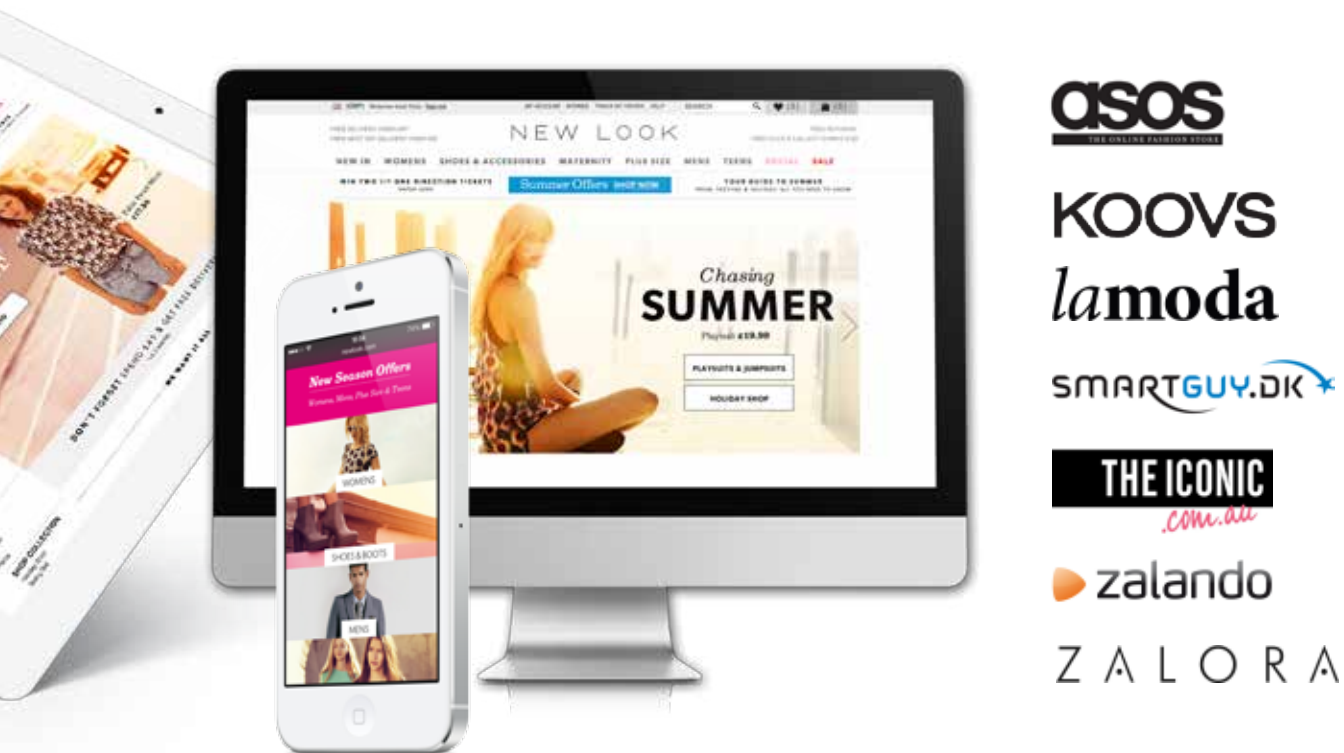
UK stores

We currently have 576 stores in the UK, which remains our primary market. Our geographical reach, from Wick in the north-east of Scotland to Penzance in south-west England places a New Look store within easy reach of the majority of the UK population.

We're well represented in prime high-street and shopping mall locations, with New Look stores in 46 of the UK's 50 highest-ranking centres*. Thanks to our ongoing investment, 245 UK stores are now trading in our new 'concept' format – outperforming unconverted stores by an average uplift in profitability of 7%.

We plan to improve the in-store shopping experience further by continuing investment in our major refurbishment programme and converting further stores to our highly successful new 'concept' format.

*Measures from CACI Retail Footprint



Newlook.com

Our transactional website at newlook.com is currently achieving an average of 2.7 million visits each week – making it the UK's third most visited fashion website*. We also have an app for mobile devices, enabling customers to browse and buy products on the move. Fulfilment of all E-commerce orders in the UK and beyond** is now handled by our highly automated distribution centre at Lymedale, Staffordshire.

We plan to continue our investment in our own website with further development of our mobile app and improvements in our delivery service options. We're committed to making sure our support infrastructure can meet all future capacity needs.

We also intend to launch new local language websites serving our key European markets.

3rd Party E-commerce

Capitalising on brand awareness in existing markets and providing an opportunity for low risk trial entry to new markets, we've formed strategic partnerships with selected website providers who buy New Look product and market it to their audiences. Our current 7 partners (ASOS, Koovs, La Moda, Smart Guy, The Iconic, Zalora and Zalando) host websites which ship to over 195 countries.

Based on our initial success with this model, we intend to develop further 3rd Party E-commerce channels.

Social

We have an impressive social media presence, with close to 3 million people 'liking' us on Facebook and over 170,000 following us on Twitter. Awareness generated on Weibo and WeChat played a significant role in our successful launch into China.

* Experian Hitwise data

** newlook.com currently serves over 120 countries



International

We already have a significant and growing international foothold, and our goal is sustained international expansion. At present, our 584 international stores consist of 103 wholly-owned New Look stores, 125 New Look stores operated by franchise partners, and 356 Mim stores (including 80 affiliates). We aim to develop our presence in the western European markets in which we already operate, consolidate our eastern European business, and open wholly-owned stores in target markets beyond Europe.

Owned stores

Within Europe, we directly operate New Look stores in the Republic of Ireland (29), France (28), Belgium (10), Poland (10, recently acquired from a franchisee) and Holland (1), plus concessions within leading department stores in Germany (8) and Holland (12). In each of these markets, we're unique: a British value-fashion retailer, with a product offer distinctly differentiated from local competition.

Following our successful launch in China in FY14, by end of March 2014 we already had 5 New Look womenswear stores of varied size and format enabling us to assess the ideal structure ahead of our second wave of openings planned for FY15 and thereafter.

Franchise stores

There are currently 125 New Look franchise stores in 16 countries spread across the Middle East, North Africa, Europe and South-East Asia. This low investment, low risk model delivers high exposure for our brand in international markets to which entry may be challenging or where local laws don't permit us to develop a wholly-owned business entity. We form partnerships with franchisees to whom we sell New Look products at cost price. We augment our partners' local knowledge and expertise with support and guidance on shopfit, branding, marketing and staff training. In return, New Look receives a royalty on sales.

Mim

The Group's Mim brand has a different customer profile to New Look. Its handwriting is younger, and distinctly value-focussed rather than trend-led. At present, there are 276 wholly-owned Mim stores in France, Belgium, Morocco and Romania plus 80 Mim affiliate* stores. However, following the strategic review undertaken during FY14, Mim is not a strategic focus for the Group. Given the disappointing result in FY14, an impairment of Mim's net assets has been recognised**.

Brand

We strive to be the chosen brand for an inspiring and accessible fashion experience – helping people express themselves, look good and feel great. From Birmingham to Beijing, from in-store to online, from print advertising to social media, the New Look experience must be clearly defined, instantly recognisable and consistently delivered. So, in addition to completing the roll-out of our new brand identity, we will continue our store refurbishment programme in the UK and beyond. We also remain committed to driving enhancements in customer service to create a seamless brand experience across all channels.

Product

New Look's unique proposition – combining value with fashion and newness – differentiates us from other retailers in the value segment. Operating at the crest of the fashion wave, we build new trends in-store every 6 to 8 weeks, with fresh lines being dropped in daily. In fact, we introduce an average of 419 new products every week of the year, serving our customers' appetite for newness and fashion excitement – especially important as over half our customers tell us they visit one of our stores at least once a fortnight*.

At present, over 250 suppliers are manufacturing for us at 865 factories in 29 countries. Our long standing and close relationships across a wide supplier base are geared to maximising flexibility, minimising lead-times, and achieving rigorous standards in quality, fit and ethical compliance. Our average lead-time is a market-leading 13 to 14 weeks and, thanks to our network of close-proximity sourcing partners within the UK and Europe, key high fashion items can be delivered in 3 weeks.

Going forward, our objective is to drive better engagement with existing customers and attract new customers through a better product offer – including head-to-toe interpretations of key looks, to encourage add on and multiple sales. Without compromising our fundamental reputation for value, we intend to stretch our price architecture by introducing some premium products at higher price-points. We also plan a major development of our menswear offer geared to enhancing its online appeal, increasing its in-store prominence, and raising its share of our total business.

*Data from New Look store exit surveys, year to March 2014

People

New Look stores around the world buzz with talented, fashion-focussed people committed to delivering an outstanding customer experience. Our London Support Centre houses our Buying, Merchandising, Design, Multichannel, International Partnerships and Marketing teams, while our Weymouth site has our IT, Finance, Audit, Procurement, Property and Human Resources teams. At our three state-of-the-art distribution centres at Lymedale, Staffordshire, staff handle around 2.9 million units of stock per week plus global fulfilment of all E-commerce orders.

Fully committed to attracting and nurturing great talent, we will continue to recruit apprentices who can proceed into management, and host development programmes for potential senior leaders through The New Look Academy and our Stores of Learning framework for building skillsets. We also intend to develop a new global careers website, and provide language learning opportunities in support of our international expansion.

We remain fully committed to recognising success and rewarding the efforts of our people.

* An affiliate is a concession agreement in which the partner bears store and staffing costs while Mim retains ownership of the stock.

** See Financial Review, page 52 for a full discussion.



A warm, golden-hour photograph of a tropical resort. In the background, a white wooden building with a balcony and a palm tree are visible. In the foreground, a swimming pool with a curved edge is partially shown. The overall atmosphere is serene and luxurious.

YEAR IN REVIEW

FY14 saw significant progress against objectives across our 5 strategic pillars: multichannel, international, brand, product and people.

We're proud that we have delivered on what we set out to accomplish this year. Key achievements included our successful launch in China and further growth in E-commerce activity.

We developed greater brand consistency across all aspects of the customer experience, and established a Group Analytics function to provide heightened insight across all channels and functions.

We maintained our UK market share*, and we were thrilled that New Look was named Britain's favourite fashion brand in the authoritative annual Fashion Brands Index (FBI)**. Among the many other accolades that came our way, we were voted Best for Footwear in the annual Prima High Street Fashion Awards. We also won the Most Stylish Women's High Heels category at PETA's UK Vegan Fashion Awards, we were named Best for Denim and Best for Shoes in the Mirror's Notebook High Street Fashion Awards, and we were voted top brand for footwear at Lorraine's High Street Awards 2013. At the International Financing Review (IFR) Awards, our transformational refinancing transaction was named EMEA High-Yield Bond of the Year.



dressipi



* Women's clothing and accessories market by value and volume, year to March 2014, as measured by Kantar Worldpanel.

** Results based on survey of 10,000 respondents by brand recommendation site, dressipi.com.



Multichannel

Our further surge in online sales reflects not only changing shopping behaviour, but also the compelling strength of our online proposition and continuing investment in our transactional website at newlook.com to improve its design, content and functionality.

Key developments in FY14 included personalisation of the homepage according to gender, an augmented search capacity to deliver more relevant results and improved page performance. Customers can also now see their recently viewed items, and create wishlists which can then be shared on social media. In response to the increasing potential of M-commerce, we've developed a greatly enhanced user-interface for mobile devices.

Following our initial success with ASOS, FY14 also saw significant developments in 3rd Party E-commerce, with 6 further partners (Koovs, La Moda, Smart Guy, The Iconic, Zalando and Zalora) and taking our brand into territories where we previously had little or no presence. Early results validate our belief that these additional channels will become an important addition to our established activities. At £22.0 million, 3rd Party E-commerce represents 14.7% of our total E-commerce revenue mix for FY14 (FY13: 1.8%).

As well as generating cost-savings, the migration of UK and global E-commerce fulfilment to our purpose-built distribution centre at Lymedale in Staffordshire delivered important improvements in delivery times and customer service. During FY14, more than 1 in 4 of our online shoppers used our *Click and Collect* service, and 9% of all our E-commerce orders were generated through the *Order In Store* option. Our continuing investment in infrastructure and systems is geared to supporting future capacity requirements including those projected for our launch of international websites during FY15.

We continue to achieve impressive engagement levels across our various social media platforms, with close to 3 million people now 'liking' us on Facebook alone. One example of FY14's host of social successes was our Winter Wishes pre-Christmas competition, devised to re-engage our fanbase and reward them for continued loyalty.

Although we continue to review and appraise our property portfolio to maintain value and flexibility, exploring attractive opportunities to right-size or relocate existing stores, we're paying close attention to the importance the geographical reach of our store network plays in our E-commerce success. As well as the fast-increasing numbers of online orders being generated at or uplifted from a store, two-thirds of E-commerce returns are now made through a store – a visit that potentially results in additional purchasing.



International

During FY14, we made significant progress towards our strategic goals in international expansion.

Without doubt, the year's most exciting achievement was our successful launch in China. Our first 5 New Look womenswear stores opened at key mall locations in Beijing, Shanghai and Hangzhou in late February and early March – supported by a storm of editorial coverage, experiential marketing activity, and social media engagement on key Chinese platforms such as Weibo and WeChat.

We're still learning about this market, but media interest and initial performance are confirming an appetite for the New Look brand in China. Our beautiful new store at Glory Mall (Beijing) already ranks within New Look's top 10 performers by density. Further openings in key cities across China are planned for FY15.

Shortly before the year-end we successfully purchased our Polish franchise business from our existing partner. These 10 New Look stores located in Warsaw and other major Polish cities give us an important foothold from which to develop our presence in this market.

Our New Look brand stores in Western Europe saw positive revenue growth in the year.

Performance of our Mim stores has once again proved disappointing, reflecting tough trading conditions in those markets and heavier than anticipated markdown activity. We have also seen changes in senior management. Following the year's strategic review, Mim is not a strategic focus for the Group.



Brand

Building on the proven success of our store refurbishment programme, we transformed a further 119 New Look stores during FY14. Over 40% of our UK stores now trade in our performance-enhancing 'concept' format. We also extended its distinctive look and feel into our international markets, with refit projects in France and Belgium as well as further countries through our franchise partners.

Further innovation and updates to our shopping environments were developed for our debut in China, and these will feature in future store openings and refurbishments in the UK and beyond.

We're close to completing the roll-out of our distinctive new logo (launched in FY13). Its clean, contemporary rendering of the New Look name now graces our product labelling, garment hangers, advertising, E-commerce and social media platforms – as well as facias at most of our stores. The final store-front conversions are planned for completion during FY15.

As we drive greater consistency across all aspects of the brand experience, the synergy between our online and offline worlds has never been closer. During FY14, in our continuing drive for a best in class service standard wherever and however a customer engages with us, we rolled out an innovative customer service initiative across all stores and support centres. This is supported by *New Look Listens*, our new pro-active research vehicle which measures shoppers' satisfaction levels and perceptions about our brand and provides feedback to our operating channels.



Product

Our focus on placing the customer at the heart of everything we do continues to have a significant impact on shaping our product ranges. Our response to celebrity fashion looks and emerging trends was always tempered by a relevance to the people who shop with us. So, while we continued to deliver excitement and newness, and in some key areas extend our price architecture, we never lost sight of our credentials for great value.

We increasingly develop head-to-toe versions of key trends, presenting them in-store and online as a whole 'look' to inspire add-on purchasing.

Our seasonal footwear performed well, with strong sales of high summer sandals during July and August and an excellent reaction to our ankle boots throughout autumn and winter.

The big hits of the festive season were novelty knits. We achieved excellent business in eye-catching, smile-raising sweaters emblazoned with Christmas puddings, reindeers, snowflakes, and a host of other fun motifs.

Building on our women's jeans range, we aimed to extend our reach still further, by relaunching our denim offer during FY14, adding a Premium Denim range to complement our core product, thereby enhancing choice and stretching our price architecture.

Younger shoppers clearly liked what we were doing. Our teenwear ranges, delivered their best-ever performance and secured number 1 position in the UK market.*

* Apparel (excluding underwear) bought for ages 9 to 15; measure for year to March 2014, according to Kantar Worldpanel



People

We remain committed to helping our great people build their skillsets and develop careers with us. During FY14, our new customer service initiative *HEART* was cemented into store and support centre standards. It is a personalised approach, setting important new performance targets and inspiring greater consistency across all aspects of the customer experience by putting the customer at the heart of all we do.

Also during FY14, we launched *Stores of Learning* in each region – an initiative designed to facilitate rapid on-the-job experiential training and enable newly recruited or promoted managers to ramp up quickly and effectively. As well as enhancing managerial competence, this initiative has helped generate a 15% improvement on the 12-month retention of our new recruits.

Over 55% of our employees took part in our annual employee engagement survey. Of these, 80% said they enjoyed their job, 93% felt they understood our customer, and the majority said they understood how their work contributes to New Look's success. Additional points have inspired us to introduce an extensive programme of listening groups as well as a structured framework for 1-2-1 engagement with managers that encourages two-way feedback. We've also re-launched our staff forum and recognition programme.

Through initiatives such as developing stronger links with universities and colleges, we have improved our ability to recruit talent. Our ability to retain exceptional people has also increased – especially important because of the impact this has on our support centre structures as well as regional and store management functions. In FY14, we saw a 10% year-on-year increase in internal hiring, which is now responsible for filling 36% of our vacancies - providing a demonstrable return on our investment in developing our people.





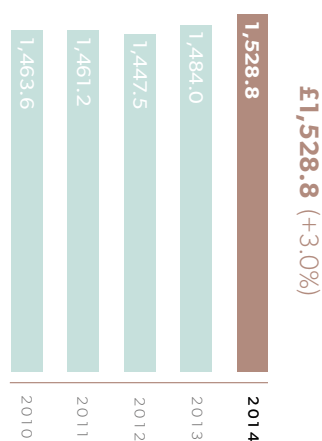


FINANCIAL REVIEW

Growth in our key strategic pillars of multichannel and international underpinned our improved performance through FY14, which has seen Group Adjusted EBITDA rise by £11.0 million to £200.2 million.

Following our successful refinancing in May 2013, we have continued to focus on further improvements to our capital structure. This has included utilising our substantial cash balances to prepay £40 million (including premium) of Payment-In-Kind (PIK) debt.

All metrics in the Financial Review represent the Group's Key Performance Indicators.



TOTAL REVENUE (£m)

* In 2013, on a 52 week basis, Revenue was £1,458.2m

Revenue*

Group revenue increased by £44.8 million to £1,528.8 million (2013: £1,484.0 million). When the benefit of the 53rd week is excluded from the prior year comparative, the increase in Group revenue was £70.6 million. A significant factor was the continued growth of our E-commerce business, in which revenues advanced by 63.9% (own website 42.3%) as we continued to enhance the functionality of our website and develop new channels with 3rd Party E-commerce partners.

New Look's strong product ranges, strengthened brand identity and the continued roll-out of our store refurbishment programme also helped to drive revenue growth.



GROUP LFL SALES* (%)

* In 2013, on a 52 week basis, Sales were -0.5%.

*LFL Sales**

Following improved performance in the UK and internationally, Group LFL sales improved to +2.2% (2013: -0.7%) , gathering pace in the final quarter of FY14.

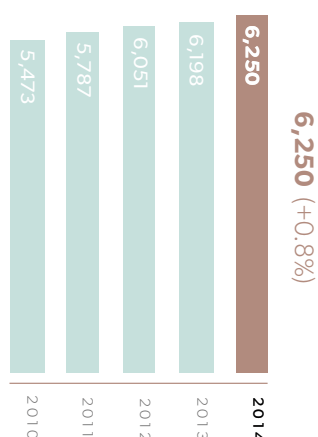
UK LFL sales (stores and E-commerce) – which account for 76.0% of Group sales – were +3.0% (2013: -0.5%), driven by continued growth in E-commerce and the benefits of our continuing store refurbishment programme.

The improvement in New Look International LFL sales is in part due to our continued focus on tailoring stock assortments to meet the specific needs of each international market. It also reflects the enhanced store performance from the International 'concept' format roll out.

However, Mim continued to experience negative LFL sales particularly in the first half of the year. Further actions have been taken to address the on-going under-performance of Mim.

These include changes to the senior management team, a review of the Buying and Merchandising strategy, seeking ways to improve the fast fashion credentials and develop E-commerce opportunities. Heavy discounting to clear through old lines of stock saw an improvement in LFL sales for the second half of the year but this impacted upon gross margin.

Like-for-like (LFL) sales is the gross transactional value from LFL operations in any given period compared with the same period in the previous financial period and is normally shown as a percentage change between two periods. LFL operations consist of our New Look directly operated stores, Mim and its affiliates, concession stores and our E-commerce segment (if applicable). A store is included in LFL operations if it has traded for more than 52 weeks, excluding existing stores where a new store of ours has opened within one mile (for the first 52 weeks of the new store's commencement of trading) or where the store has undergone a significant increase or decrease in trading space during the period. A store is included in the calculation of LFL sales from the date at any point during the financial year when it has the comparable weeks' data for the prior financial year. If a store is closed for a full week or more for any reason during a financial year, for example, due to refurbishment or permanent closure, it is excluded from the LFL calculation for the period of closure.

**Space '000 sq ft**

* In 2013, on a 52 week basis, Space was 6,197 sq ft.

*Space**

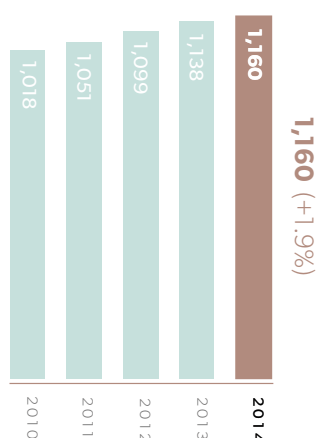
In line with our principal focus over the last 3 years we have continued to optimise our store estate by closing unprofitable stores and finding opportunities to relocate existing stores to sites of more appropriate location or size. During FY14 our total number of UK stores decreased by 13 to 576 (2013: 589).

The roll-out of our 'concept' refurbishment programme has continued this year. We have now converted 248 stores to the new store format in total (109 in 2014), and opened 16 new stores in this format (10 in 2014), including 5 in China which have an updated version incorporating further developments and refinements.

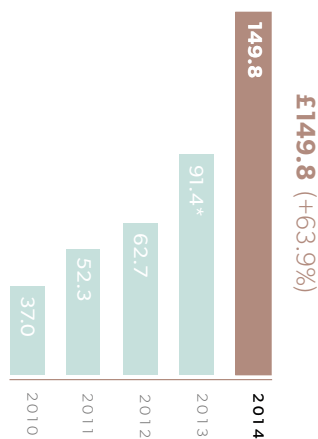
During FY14, we increased the total trading space of our international estate, with New Look owned stores increasing by 12.2% to 718k sqft (2013: 640k sqft). This includes 5 new stores in China, and 10 stores in Poland which were previously part of our Franchise business.

Taking the Polish re-acquisition into account, the total number of New Look franchise stores decreased by 1 to 125 stores (2013: 126 stores) during the year.

In line with our action plan for Mim, 9 unprofitable Mim stores were closed during FY14. However, the overall number of Mim stores (wholly owned stores and affiliate stores) increased by 20 to 356 (2013: 336 stores) due to the launch of 29 new Mim affiliate stores.

**Total stores**

* In 2013, on a 52 week basis, Total stores were 1,136.



Sales (£m)

* In 2013, on a 52 week basis, Sales were £89.1m.

2013 has been restated to correct for the reclassification of £2.7 million for sale returns between UK Retail and E-commerce.

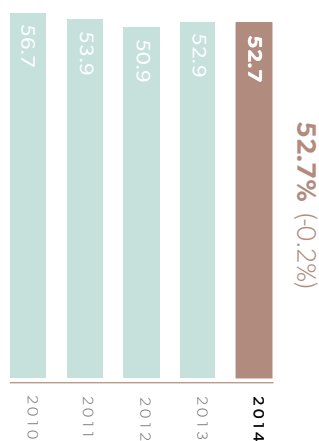
*E-commerce sales**

FY14 saw further growth in our E-commerce sales, increasing by £58.4 million, or 63.9%, to £149.8 million (2013: £91.4 million). We continued to invest in improving the design, content and functionality of our own website, a focus which helped to drive better engagement and conversion rates as well as achieve an increase in the average transaction value per order, with sales increasing 42.3%.

A further factor in our E-commerce growth has been the development of convenient delivery options, fully supported by our purpose-built distribution facility at Lymedale. More than 1 in 4 of our E-commerce customers use our *Click and Collect* service, and the *Order In Store* facility was used by 9% of our E-commerce customers.

Building on the success of our initial launch with ASOS in 2013, 3rd Party E-commerce sales, at £22.0 million (2013: £1.6 million) have further driven the overall growth in E-commerce sales. These new partnerships have given us a route into new territories, providing strong indications that the New Look brand can be successful in these new markets.

The transfer of fulfilment and distribution of E-commerce orders to our own in-house facility has resulted in efficiencies, further improvement in our stock control levels, and a better service for our customers.



Gross margin %

* In 2013, on a 52 week basis, Gross margin was 52.9%.

Gross margin*

Our gross profit margin decreased by 0.2 percentage points to 52.7% (2013: 52.9%). This reflects the increasing mix of E-commerce sales, as although some fixed costs (such as staffing) are lower for E-commerce than for our stores, our packaging and distribution costs are higher. Sales to 3rd Party E-commerce partners are made at a lower margin, and sales at newlook.com include some lower margin third party products.

Our changing revenue mix between Retail and E-commerce offsets an underlying increase in gross margin. This was driven by the success of our continued efforts to right-time our response to key trends, support our best sellers, and improve our stock management. We also increased to 80.1% (2013: 78.5%) the amount of stock sold at full price.

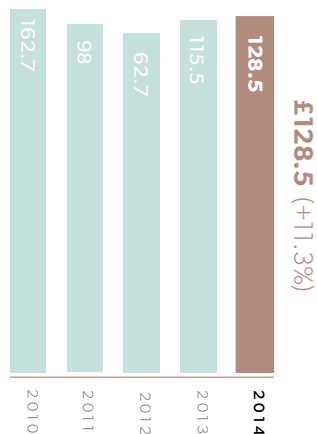
Costs

Our cost efficiency drive, continued from last year, has enabled further investment in the strategic priorities of the business. As well as continuing to assess store payroll costs, property negotiations and re-tendering of contracts, we have focussed on achieving tighter controls around administrative expenses through the introduction of a new Purchase Order system to ensure all costs are adequately reviewed and approved prior to committing spend.



Group Adjusted EBITDA (£m)

* In 2013, on a 52 week basis, Adjusted EBITDA was £185.2m.



Underlying operating profit (£m)

** In 2013, on a 52 week basis, Underlying operating profit was £111.5m.

Group Adjusted EBITDA*

Adjusted EBITDA increased by £11.0 million, or 5.8%, to £200.2 million (2013: £189.2 million). When the benefit of the 53rd week is removed from the prior year comparative, the increase in EBITDA is £15.0 million, or 8.1%. This was driven by the improved sales performance and cost reduction programme.

The underlying increase in the New Look brand performance has been offset by the poor performance of Mim. Adjusted EBITDA for the New Look brand increased by £20.1 million, or 10.9% to £204.2 million (2013: £184.1 million) whereas Adjusted EBITDA for Mim decreased by £9.1 million, to -£4.0 million (2013: £5.1 million). Mim's poor performance reflects the tough trading conditions in France and heavy levels of discounting in FY14.

Adjusted EBITDA, a non IFRS measure, is calculated as the Group's underlying operating profit before depreciation of tangible fixed assets, amortisation of intangible fixed assets and the income statement charge in relation to the Group's onerous lease provision. Note that the Group onerous lease charge is split between New Look and Mim £1.6 million and £0.8 million respectively (2013: £0.1million and £0.1million respectively).

Underlying operating profit**

Underlying operating profit increased by £13.0 million to £128.5 million, reflecting the improved performance of the New Look brand. This was offset by the performance of Mim, which saw a decrease in underlying operating profit of £8.8 million to -£10.9 million (FY13: -£2.1 million).

Underlying operating profit is a non-IFRS measure, and is calculated as operating profit before exceptional items, share based payment expense and the movements in the fair value of financial instruments under IFRS. See page 76 for reconciliation back to Operating Profit.

Pre-tax loss

Following the decline in the performance of Mim, management performed an impairment review, which resulted in an impairment charge of £64.2 million to write down the value of Mim's net assets. This impairment charge has been recognised within the total operating exceptional charge of £57.8 million (2013: £4.7 million). The remainder of the operating exceptional charge reflects the one-off incentive scheme, the impairment of a franchise receivable, and costs in relation to the refinancing. These were offset by a £9.1 million gain on disposal of land, at our Weymouth site, and the net gain of £2.5 million on the acquisition of the New Look business in Poland from our franchise partner.

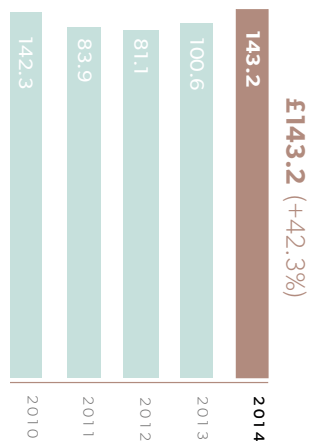
Share based payment charges increased by £6.5 million to £6.3 million (2013: -£0.2 million) as a result of an increase in the share price and significant good leaver payments in the period.

Net finance costs increased by £9.4 million to £115.8 million (2013: £106.4 million) This included an increase in interest costs on bonds and bank loans of £32.9 million offset by a decrease of £23.7 million in interest on PIK debt following the refinancing in May 2013.

The results for the Group for FY14 financial year show a pre-tax loss of £55.0 million (2013: profit £3.1 million).

Taxation

The income statement taxation movement during FY14 is driven by a reduction in the UK current tax charge following the utilisation of historic accrued interest expenses which are tax deductible during the year coupled with a prior year adjustment in current tax, relating to the Employee Share Option Plan Trusts (ESOP), and movements in deferred tax impacting on the current year credit. This included a reversal of timing differences of £4.2 million credit (FY13: £1.7 million credit) which relates primarily to the reversal of a deferred tax liability previously recognised on the Mim brand following the impairment in the year and a £5.5 million credit (FY13: £3.5 million credit) relating to the change in the UK Corporation Tax rate, offset by a prior period adjustment to deferred tax of £2.8 million (FY13: £0.8 million credit).



Free cash flow (£m)

Free cash flow*

Free cash flow increased by £42.6 million to £143.2 million. We saw an increase in our Free Cash Flow versus last year as a result of increasing underlying operating profit and cash generation, supported by lower net capital expenditure.

In addition, since the refinancing in May 2013 we have drawn upon our substantial cash balances to prepay £40.0 million of PIK debt (including a prepayment premium of £1.2 million).

Free cash flow, a non-IFRS measure, is cash flow from operating activities (pre-tax) less net capital expenditure. We believe that free cash flow assists in understanding our trading performance as it represents the amount of cash generated before tax, but after investment on net capital expenditure, by our trading activities.

* Comparative information has been restated from previously deducting capital expenditure to deducting net capital expenditure and therefore now includes proceeds from sale of Property, Plant and Equipment and Acquisition of Subsidiaries, in line with internal management reporting to the Board.

Net debt

On 3 May 2013, the Group entered into a series of transactions to issue senior secured bonds; these transactions were settled on 14 May 2013. The finance raised was used to settle the existing debt under the Senior and Mezzanine Facility Agreements and 50% of the outstanding PIK in cash, with the remaining PIK being exchanged for a new PIK instrument at par value.

This has given us a much improved capital structure and provides a further 4 year 'runway' to continue driving our strategic goals of performance improvements, international expansion, and developments online and in-store.

Group net debt reduced by £50.2 million to £1,045.8 million as at 29 March 2014 (2013: £1,096.0 million) of which £377.3 million (2013: £741.5 million) was PIK notes including £47.4 million (2013: £71.5 million) of deferred interest rolled into the outstanding value of the loan during the year. In addition to the £40.0 million of PIK prepaid during the financial year the Group announced subsequent to the year-end the commitment to prepay a further £40.0 million of PIK (including prepayment premium of £1.2 million) effective on 27 May 2014.

Current year trading

Looking ahead, we expect the economic outlook to improve, but we remain cautious as to how swiftly or substantially our customers will find these indicators of economic recovery translating into increased spending capacity.

Believing we offer compelling value-fashion product ranges to UK and international audiences through attractive store and E-commerce channels, we are confident in our strategy for future growth of the New Look brand.

A woman with long, wavy red hair is the central figure. She is wearing a black leather motorcycle jacket with gold-toned zippers and snap buttons. Underneath, she wears a black dress with a lace bodice and a flared skirt. She is posed with her left arm extended to the side and her right hand near her waist. The background is a blurred cityscape with tall buildings, suggesting an urban environment. The lighting is warm, giving the image a golden-hour feel.

*RISKS &
UNCERTAINTIES*

Risks & Uncertainties

New Look considers effective risk management fundamental to achieving its business objectives, protecting its reputation, and delivering added value.

Risk management

To support operational management, the Board has created a practical framework set out in its Risk Management Policy. This provides a clear structure for managing risk across the Group and ensures significant risks are understood and visible to senior management, as well as to the Board.

Responsibility

The Board has ultimate responsibility for the Group's risk management process and reviews its effectiveness at least annually. However, on a day-to-day basis, senior management is responsible for providing visible leadership in the management of risk, integrating it into everything we do and all important decisions we take. It's not the Board's intention to create additional functions or separate committees to

administer the risk management process. The assessment and management of risk is already part of our planning and review procedures, and senior management is required to ensure this review of risk is carried out in an effective and timely manner.

Principal risks & uncertainties

It is recognised that the Group at any point in time is exposed to a number of risks. The following table details the most significant risks as identified by the Board together with the relevant mitigation. It should be noted that any system of risk management and internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

<i>Risk Type</i>	<i>Description of Risk</i>	<i>Risk Mitigation</i>
<i>Unfavourable economic conditions</i>	- Consistent fall in customer spending and erosion in consumer confidence as a result of prolonged economic downturn and other macro-economic factors. - Uncertainty over international economic climate.	- The latest independent market information fully reflected in our internal plans and forecasts. - Adapting to the changes in core customers' disposable incomes through the delivery of a compelling product range (fashion, value and newness) at competitive prices. - Effective forecasting process and regular reviews to enable actions reflecting current market climate.
<i>Competition</i>	- Loss of market share to rival value operators. - Ease of entry to market via E-commerce and attractive opportunities arising from depressed property market.	- Investment in Brand to differentiate New Look from other value fashion retailers. - Maintenance of our value fashion proposition through appropriate price architecture as well as desirable, on-trend product ranges. - Cohesive multichannel strategy to secure our brand's significance in the digital as well as physical marketplace. - Development of additional product ranges to reach new customers and extend our target audience.
<i>Business strategy development and implementation</i>	- Failure to adopt the right business strategy in a very difficult consumer market (both UK and International) would prove critical to the success of the business. - Distractions of high profile projects from day to day business needs.	- Top down integration of leadership message into all aspects of strategy. - Macro-economic and industry-specific trends affecting the Group are constantly reviewed. - The annual budget and 3 year planning process identifies key drivers to increasing revenue and Adjusted EBITDA. - Aligning resources to ensure project management delivers on objectives. - Monthly measurement of performance against key attributes of the business strategy.
<i>Product design and proposition</i>	- Failure to maintain our reputation for compelling fashion at attractive prices. - Inability to respond swiftly to changing customer preferences and key trends.	- Effective adoption of target customer profiling to better inform buying decisions. - Stronger integration of buyers and designers working closely with suppliers. - Recognisable and consistently delivered product handwriting. - Robust and transparent process for trialling and evaluating emerging trends and reviewing feedback mechanisms. - Development of open costing approach to ensure our value offering is maintained.
<i>Sourcing strategy</i>	- Lack or loss of speed and flexibility in the supply chain, leading to greater risk in buying decisions and potential loss of margin through higher markdowns. - Disruption to supply chain arising from strikes, civil unrest, political turmoil or natural disasters. - Ethical or quality standards failure within the supply chain, leading to reputational damage to our brand.	- Strong and robustly supported sourcing team responsible for maintaining an efficient and effective supply chain. - Suppliers treated as key business partners, working to shared objectives such as reduced lead times, enhanced quality control and better employment practices. - Structured audit processes at factories throughout our supply chain, conducted by internal and external teams, and support for suppliers working towards full compliance with our ethical aims. - Regular review of supply chain and routes to maximise flexibility and sustain fulfilment of product demand across all channels. - Pro-active membership of the Ethical Trading Initiative.
<i>Stock Management</i>	Ineffective controls over the management of stock, impacting on gross margin or product availability.	- Policy of maintaining 'open to buy' ensuring effective response to emerging trends and improved ability to have enough of the right product available (in-store and online) at the right time. - Regular reviews and forecasting updates to ensure forward orders can be adjusted where appropriate. - Effective use of data analytics tools to optimise stock allocation and replenishment.
<i>Leadership</i>	- Failure to attract or retain talent; departure of key personnel. - Lack of leadership at all levels to deliver our key business strategies.	- Maintenance of clear leadership message identifying our primary objectives plus the five pillars of the business: brand, people, product, international and multichannel. - Regular reviews of management structure to ensure capability and succession. - Regular, effective performance reviews, leadership assessments, and training and development in place. - The Remuneration Committee ensures appropriate incentive plans are in place.

<i>Risk Type</i>	<i>Description of Risk</i>	<i>Risk Mitigation</i>
<i>Multichannel</i>	- Failure to meet customer expectations across all channels undermining our multichannel proposition. - Lack of cohesion between channels confusing or compromising the customer experience. - Compromise of brand identity or loss of pricing control arising from 3rd Party E-commerce platforms.	- Detailed review of all channels and a 'one voice' policy to ensure customer expectations are consistently met. - In-house fulfilment operation maximising control, flexibility, efficiency and cost-containment. - Effective use of data analytics and other research tools, plus close monitoring of customer feedback on social media platforms and other channels. - Stringent agreements in place with all 3rd Party E-commerce partners.
<i>International expansion</i>	- Continuance of a tough international economic climate. - Failure to secure entry into markets of choice or problems in partner selection. - Failure to grow the international business successfully through franchise operations, wholly-owned businesses and E-commerce. - New Look product inappropriate for or poorly received by new markets. - Cultural, language and time differences creating communication difficulties across our international workforce. - UK-centric mindset. - Geo-political instability arising in key growth markets. - Difficulties in integrating E-commerce platforms with international store network.	- Increased International experience on main Board and among senior management. - Clear focus on best territories for future growth, plus best trading model for each country in which we already operate. - Careful analysis of cultural fit with the New Look brand and thorough due diligence of partners. - Product ranges selected and developed to ensure relevance in different markets. - Recruitment of local workforce, plus effective and consistent training and support for all new employees. - Consistent effort to instill international focus in all aspects of planning and strategy. - Continuing investment in technology and infrastructure.
<i>IT systems and business continuity</i>	- Inability of systems to process core transactional data or to provide key decision-making reporting. - Systems failure compromising security or fulfilment of online transactions. - Data protection failure leading to potential prosecution and reputational damage to our brand.	- Investment in new and existing IT systems is a key part of our business strategy. - Back-up procedures in place to deal with any short-term or specific loss of data; business continuity plan in place and tested to deal with any serious incident or loss of systems capability. - Provision of secure externally hosted data storage facilities. - On-going PCI compliance for transactional website.
<i>Warehousing and distribution</i>	- Failure to maintain the infrastructure required to support a growing international multichannel fast-fashion business. - Inability to recover from a major incident. - Inability to cope with increasing demand of online fulfilment in-house. - Inability to offer convenient and competitive delivery options for online orders, leading to loss of market share to competitors.	- Business continuity plans developed and tested for all locations and operations throughout the Group. - Enhancement of capacity at our purpose-built distribution centre in Lymedale to cope with projected growth of our E-commerce business. - Continuing review of international supply chain and support infrastructure as business develops globally. - Continuing investment in technology and infrastructure to maintain best in class service options.
<i>Credit risk and liquidity</i>	The Group's level of indebtedness, tough financial markets and exposure to interest and currency rate volatility constraining the business and its ability to grow.	- Regular review of the Group's current debt position and potential interest and currency rate exposure. - Treasury policy in place, aiming to hedge interest and currency rates over the medium term. - Weekly cash flow forecasting and quarterly covenant reporting commencing on the quarter ending nearest to 30 June 2014.
<i>Cost inflation</i>	- Escalation of supply chain costs arising from factors such as wage inflation or increases in raw material prices. - Increased fuel and energy costs, impacting on distribution or store and head office operational costs.	- Wage increases offset by improvements in productivity. - Geographical diversity of supply chain portfolio. - Review of order pricing to determine scope for changing price architecture. - Cost efficiency process in place, together with drive to control and contain energy usage throughout the Group.



CORPORATE SOCIAL RESPONSIBILITY

We work hard to ensure our business relationships are ethical and to manage our impact on the environment

Corporate Social Responsibility

Sustainability is a cornerstone of how we do business. It's important to our customers, our staff, our suppliers and our stakeholders, and it makes good business sense for us too. So we work hard to make sure our business relationships are ethical and to manage our impact on the environment.

Our Ethical Strategy

Achieving a continual improvement in workers' lives and livelihoods remains a primary objective. We also want to help improve factory management skills, systems and safety standards, while empowering factory workers to raise and resolve issues. We're doing all we can to build trust, transparency and shared responsibility throughout our supply chain.

We're also working hard to respond effectively to particular events in our key sourcing countries. Following the tragic building collapse at Rana Plaza and the series of factory fires in Bangladesh, much of our focus there has been on improving fire and building safety.

Improving workplace conditions

New Look supported the Accord in Fire and Building Safety in Bangladesh, and we've delivered fire safety training at factories manufacturing for us.

In China, we've provided Health and Safety training at 135 sites, and the entire workforces at 77 of the factories manufacturing for us are now covered by an accident and injury insurance initiative. We've worked with 13 factories to change thinking about wages and hours as well as build better systems to track and analyse them, and we've trialled peer-to-peer learning to encourage ongoing improvements at a further four sites. In India we've continued partnering with Geosansar to provide bank accounts for a further 387 workers at 3 factories and in Bangladesh we have initiated partnership with BRAC bank to provide bank accounts for 300 workers. This enables workers to start saving, or send money to their families in rural areas without risk.

Empowering workers to raise and resolve issues

We have supported the establishment of worker committees at 66 factories in India and Bangladesh, helping workforces secure enhanced leave benefits, more religious holidays, and changed pay dates to help with budgeting.

In Turkey, we've delivered training on freedom of association and worker-management communication at 8 factories.

Improving factory management systems

At factories where management capacity is poor, workers are more likely to work long hours, and health and safety issues may go unchecked. So, during FY14, we provided management training at 44 sites across Bangladesh, Cambodia, China and India. On completing the UK Aid funded project Benefits for Business and Workers in India and Bangladesh, we followed up with participating factories to support ongoing progress. This has already achieved significant improvements in worker turnover and wage rates. We have now piloted this project in our UK supply chain as well.

Building shared responsibility along the supply chain

We can't expect suppliers to meet our ethical aims without the full support of New Look's buyers, merchandisers and designers. So, we've launched an Ethical Champions programme to spread awareness among our staff, and provided information and training on the principles and benefits of ethical trade on a monthly basis for our buying teams. We're also providing training for all new recruits, and circulating quarterly newsletters with ethical trade tips and updates.

Animal welfare

At New Look, we're committed to ensuring no animals are harmed in the manufacture or testing of our products. Although investigations uncovered no evidence within our supply chain of the shocking animal welfare lapses discovered by PETA (People for the Ethical Treatment of Animals) at Chinese angora farms, we decided to cease production of all products containing angora and ban its future use.

Our ethical awards

Our commitment to trading in an ethical and sustainable manner has been acknowledged by a number of major awards.

At the 2013 Ethical Fashion Forum Source Awards, spotlighting best-practice in the fashion industry, New Look was named Best High Street Retailer. We also won the Most Stylish Women's High Heels category in PETA's annual Vegan Fashion Awards.



New Look and the environment

We're fully committed to minimising the environmental impact of our activities.

During FY14, we signed up to the Sustainable Clothing Action Plan (SCAP) 2020 Commitment, pledging to measure and reduce our environmental footprint.

To inspire environmental awareness among our Bangladeshi manufacturers, we held an energy efficiency workshop in Dhaka during November 2013 with representatives from 52 factories covering topics such as the business case for energy efficiency. Also in Bangladesh, we're part-funding suppliers to participate in the International Finance Corporation's (IFC) PaCT programme which focuses on efficient water management practices.

During FY14 we launched the Textile Industry Sustainability Platform (TISP) to our Chinese suppliers. It provides an online guide to improving environmental practices, and several factories have already implemented energy efficiency programs.

Energy & Climate Change

We continue to recognise our corporate responsibility to manage the risks posed to society, our customers, and our long term business sustainability from human induced climate change.

During FY14, for those stores which have not been re-lamped as part of our concept stores programme or re-lamped as part of our drive to upgrade the product display at other stores, we've worked hard in order to make year-on-year electricity consumption reductions at our stores.

Across 278 stores in the UK and Republic of Ireland where we can monitor detailed store electricity consumption and which have not been significantly re-lamped during FY14, we have made like-for-like average annual electricity consumption savings of 3.4% or circa 5,500 kWh per store, when compared to same store electricity consumption data for FY13*.

As a participant in the UK's Carbon Reduction Commitment (CRC) Energy Efficiency Scheme we calculate and report annually our carbon emissions under the scheme's rules. Our carbon emissions in FY13, the last year for which final data is available, were 69,121 tonnes** (FY12: 65,887 tonnes***).

Our London Support Centre received an award from Paper Round for our commitment to recycling, saving the equivalent of 22 trees and 2,550kg of CO2 in FY14.

Our Colleagues

We would be nothing without our great people. We believe New Look is an attractive employer, offering competitive remuneration packages. In recruitment, we look for customer champions who have passion, who are curious, go-getting self-starters. We are committed to supporting everyone at New Look to deliver their part in our success and growth, and to build skillsets and careers with us.

Equal Opportunities

We make sure no job applicant or colleague is discriminated against, either directly or indirectly, on the grounds of disability, gender, nationality, ethnic or racial origins, marital status, religious belief, political opinion, age or sexual orientation. It is the policy of the Group to give equal opportunity of employment to disabled and able persons according to their suitability to perform the work required. The services of existing colleagues who become disabled are retained whenever practicable.

Community Giving

Our people give their time, money and energy to support national and local charities plus special appeals.

The New Look Foundation (established in 2009) is a focus for fundraising activities throughout the Group. Monies are raised through a variety of channels including Payroll Giving, Pay Day lottery, direct donations – and such fun initiatives (in our stores and support centres) as cake trolleys, prize quizzes, sample sales and raffles. Also a team from New Look participated in Prince's Trust Million-Makers initiative, and we held our first-ever charity Winter Wishes Ball. The total raised during FY14 increased to in excess of £700,000 (from £189,279 in FY13).

During the year we pledged £350,000 to the Retail Trust as well as £138,000 to the Prince's Trust from the total fundraising.



.....

The Strategic Report presented above is authorised by the Board.

On behalf of the Board,

Anders Kristiansen
CHIEF EXECUTIVE OFFICER
23 May 2014

* Including 'concept' refurbishments and re-lamped stores, annual electricity consumption was 2.3% higher than FY13

** On current CRC measurement, which, in line with CRC guidelines has changed for FY14.

*** The comparable current year figure is 63,023 tonnes



A vintage car is shown from the driver's perspective, with the steering wheel and dashboard visible in the foreground. The car is parked on a road, and a city skyline with several tall buildings is visible in the background under a bright, hazy sky. The overall color palette is warm and golden, suggesting a sunrise or sunset setting.

THE DIRECTORS' REPORT

The Directors' Report

The Directors present their report and the audited, consolidated financial statements for the year ended 29 March 2014.

Directors

The Directors whose details are set out on pages 68 and 69 are the current Directors of the Company.

During the financial year, the following persons were also Directors of the Company:

Fabio Andreottola, who was appointed to the Board as a Non-Executive Director on 13 December 2012 and resigned on 18 December 2013.

Oriol Pinya, who was appointed to the Board as a Non-Executive Director on 2 November 2010 and resigned on 18 February 2014.

Following the year-end:

Alastair Miller, who was appointed to the Board as the Chief Financial Officer of the Group in April 2008, resigned on 11 April 2014.

Richard Collyer has been appointed to Interim Chief Financial Officer, following the departure of Alastair Miller, effective 11 April 2014.

Alistair McGeorge, who was appointed to the Board as Executive Chairman on 3 May 2011 and became Non-Executive Chairman on 16 January 2013, resigns from the Board on 31 May 2014.

Tom Singh ceases to be Commercial Director and has been appointed Interim Non Executive Chairman, following the departure of Alistair McGeorge, effective 31 May 2014.

The Directors report that, having reviewed current performance and forecasts, they have a reasonable expectation that the Group has adequate resources to continue its operations for the foreseeable future. For this reason, they have continued to adopt the going concern basis in preparing the financial statements.

Land and buildings

The Directors believe there is no material difference between the market value and net book value of freehold land held by the Group.

Principal activities

The principal activity of the Group is international, multichannel retailing. A review of the Group's business is set out in the previous sections of the Strategic Report. The Company acts as a holding company for the Group.

Payment of suppliers

The Group's creditor days as at 29 March 2014 were 51 days (2013: 55 days). Payment is made in accordance with contractual or other legal obligations. The parent Company has no trade creditors.

Political donations

The Group made no political donations in the period (FY13: £nil).

Indemnity insurance

The Company maintains liability insurance for its Directors and officers; this was in place for the financial period and up to the date of approval of the Directors' Report.

Walker report

On 20 November 2007, David Walker published his 'Guidelines for Disclosure and Transparency in Private Equity' (the Walker Report). Since then the Private Equity Monitoring Group on Transparency and Disclosure has produced six reports, the sixth of which was issued in December 2013. This report has been prepared in the context of those recommendations.

Directors' statement as to the disclosure of information to auditors

In respect of each Director who was a Director at the time when the report was approved:

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

Independent auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors.

On behalf of the Board,



Anders Kristiansen

CHIEF EXECUTIVE OFFICER

23 May 2014



DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the annual 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 the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the parent company and of the profit or loss of the Group 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 accounting estimates that are reasonable and prudent;
- state whether IFRSs as adopted by the European Union and applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Group and parent company financial statements respectively;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for 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 the Group 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 the Group 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 Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board,



Keith Gosling
COMPANY SECRETARY
23th May 2014

Board of Directors



Alistair McGeorge
Non-Executive Chairman

Alistair McGeorge joined New Look in November 2010, becoming Executive Chairman in May 2011 and subsequently Non-Executive Chairman in January 2013. Prior to New Look, he was Chief Executive of Matalan, the value retail chain where he was responsible for transforming the look and feel of the stores and improving operational efficiency. This resulted in a significant improvement in financial performance and returned the business to growth. Before Matalan, Alistair worked in a variety of roles for Littlewoods/Shop Direct (formerly Littlewoods plc), latterly as Chief Executive Officer. He is a qualified Chartered Accountant.



Anders Kristiansen
Chief Executive Officer

Anders Kristiansen joined New Look in January 2013 from Bestseller Fashion Group, where as Vice Chief Executive in China he helped establish more than 5,500 stores in that exciting new market. Prior to Bestseller, he was Senior Vice President of Staples Inc. Before this, he was Managing Director Europe then Managing Director Asia Pacific at Lyreco, the office supplies business. Prior to Lyreco, Anders held senior positions at Herlitz and GBC Corp.



Tom Singh
Director

Tom Singh founded New Look in 1969 and retained overall responsibility for Buying and Merchandising until he became a Non-Executive Director and consultant in May 2001. Following the public to private re-organisation in April 2004, he was appointed Managing Director, Commercial, until June 2006 when he again became a Non-Executive Director. In March 2011, he became Director, overseeing the Buying, Merchandising, Design and Sourcing functions. Following the year-end and Alistair McGeorge's resignation from the Board, Tom has been appointed Interim Non-Executive Chairman.



Tripp Lane

Non-Executive Director

Joining New Look in March 2010 as Non-Executive Director, Tripp Lane holds an MBA from The Wharton School and an MA from Johns Hopkins University. He is a Principal at Apax Partners Worldwide LLP in London. During his 8 years at Apax, he has worked on deals including Cengage Learning, New Look, EMAP, and Trader Corporation.



Mike Garland

Non-Executive Director

A partner of Permira, based in London, Mike Garland leads the Permira Portfolio Group and has served on many of its boards. He has also worked on numerous transactions including New Look, Hogg Robinson, Homebase, Hugo Boss and Valentino, Provimi and Travelodge. Prior to joining Permira in 1990, Mike worked at Williams Holdings and Price Waterhouse in London. He has a degree in Mechanical Engineering from the University of Southampton, England, and is a Chartered Accountant. He joined New Look as a Non-Executive Director in 2012.



Christian Bamberger Bro

Non-Executive Director

Christian Bamberger Bro is an investment executive at Permira Advisers LLP. He joined Permira's consumer sector team in the London office in 2012. Previously, between 2006 and 2012 he was based in Permira's Stockholm office primarily covering the Nordic region. He has worked on a number of transactions including TDC, All3Media and New Look. Prior to joining Permira, Christian was an Engagement Manager at McKinsey & Company in Copenhagen. Before this, he worked in Investment Banking at Nordea. Christian has a Masters in Economics and Management from the University of Aarhus, Denmark. He joined New Look as Non-Executive Director in 2013.



Martin Halusa

Non-Executive Director

Martin Halusa co-founded Apax Partners in Germany in 1990 as Managing Director. His investment experience has been primarily in telecommunications and service industries. In 2003 Martin was elected Chief Executive Officer of Apax Partners, and Chairman of Apax Partners in 2014. Prior to the launch of Apax, Martin worked at The Boston Consulting Group, Swarovski Inc (USA) and Zurich. Martin has a MBA from Harvard Business School and PhD in Economics from Leopold-Franzens University in Innsbruck. He joined New Look as a Non-Executive Director in 2014.





FINANCIAL STATEMENTS

Independent auditors' report to the members of New Look Retail Group Limited

Report on the Group financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Group's affairs as at 29 March 2014 and of its loss and cash flows for the period then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The Group financial statements (the "financial statements"), which are prepared by New Look Retail Group Limited, comprise:

- Consolidated balance sheet as at 29 March 2014;
- Consolidated income statement and consolidated statement of comprehensive income for the period then ended;
- Consolidated statement of cash flows for the period then ended;
- Consolidated statement of changes in equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report & Accounts (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and

the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion, we have not received all the information and explanations we require for our audit. We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 67, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

Other matter

We have reported separately on the parent company financial statements of New Look Retail Group Limited for the 52 week period ended 29 March 2014.



Alan Kinnear (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton

23 May 2014

(a) The maintenance and integrity of the New Look Retail Group Limited website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

New Look Retail Group Limited

Consolidated income statement

		For the financial periods	
		52 weeks ended 29 March 2014	53 weeks ended 30 March 2013
	Notes	£m	£m
Revenue	5, 6	1,528.8	1,484.0
Cost of sales		(722.9)	(698.9)
Gross profit		805.9	785.1
Administrative expenses		(744.7)	(675.3)
Operating profit	7	61.2	109.8
Finance income	9	7.7	10.2
Finance expense	9	(123.5)	(116.6)
Share of post tax loss from joint venture	15	(0.4)	(0.3)
(Loss) / profit before taxation		(55.0)	3.1
Taxation	11	1.4	0.3
(Loss) / profit attributable to the owners of New Look Retail Group Limited	33	(53.6)	3.4

The notes on pages 79 to 127 are an integral part of these consolidated financial statements.

New Look Retail Group Limited

Consolidated statement of comprehensive income

		For the financial periods	
		52 weeks ended 29 March 2014	53 weeks ended 30 March 2013
	Notes	£m	£m
(Loss) / profit for the period		(53.6)	3.4
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Cash flow hedges	26, 33	(28.2)	15.8
Exchange differences on translation of foreign operations	33	(2.4)	0.9
Tax credit on items recognised directly in equity	11	6.9	(4.0)
Actuarial loss on post employment benefit obligations	35	—	(0.5)
Other comprehensive (expense) / income for the period, net of tax		(23.7)	12.2
Total comprehensive (expense) / income for the period		(77.3)	15.6

The income tax relating to each component of other comprehensive income is disclosed in note 11.

The notes on pages 79 to 127 are an integral part of these consolidated financial statements.

Underlying operating profit is calculated as follows:

		For the financial periods	
		52 weeks ended 29 March 2014	53 weeks ended 30 March 2013
	Notes	£m	£m
Operating profit		61.2	109.8
Add back/(deduct):			
Exceptional items	10	57.8	4.7
Share based payment expense/(credit)	31	6.3	(0.2)
Fair value movement of financial instruments	26	3.2	1.2
Underlying operating profit	5	128.5	115.5

New Look Retail Group Limited

Consolidated balance sheet

		As at	
		29 March 2014	30 March 2013
	Notes	£m	£m
Non-current assets			
Property, plant and equipment	13	149.6	182.2
Intangible assets	14	703.0	744.7
Investment in joint venture	15	—	0.3
Available for sale financial assets	17	0.3	0.3
Other receivables	19	27.4	39.2
Deferred income tax assets	11	27.0	29.8
		907.3	996.5
Current assets			
Inventories	18	138.1	144.1
Trade and other receivables	19	64.6	67.8
Derivative financial instruments	20	0.3	17.6
Cash and cash equivalents	21	111.1	113.6
		314.1	343.1
Total assets		1,221.4	1,339.6
Current liabilities			
Trade and other payables	22	(255.4)	(246.2)
Financial liabilities	23	—	(59.5)
Derivative financial instruments	24	(17.2)	(3.4)
Provisions	29	(4.4)	(5.7)
Income tax liabilities		(9.0)	(8.9)
		(286.0)	(323.7)
Non-current liabilities			
Deferred income and other payables	22	(86.5)	(91.4)
Financial liabilities	23	(1,156.9)	(1,150.1)
Derivative financial instruments	24	(11.8)	(0.8)
Provisions	29	(10.4)	(9.8)
Deferred income tax liabilities	11	(61.1)	(77.7)
		(1,326.7)	(1,329.8)
Total liabilities		(1,612.7)	(1,653.5)
Net liabilities		(391.3)	(313.9)

New Look Retail Group Limited

Consolidated balance sheet

(continued)

		As at	
		29 March 2014	30 March 2013
	Notes	£m	£m
Deficit attributable to the owners of New Look Retail Group Limited			
Share capital	32	10.4	10.4
Share premium	32	0.6	0.6
Treasury shares	32	(23.3)	(21.9)
Other reserves	33	(4.8)	18.9
Reverse acquisition reserve	33	(285.3)	(285.3)
Accumulated losses	33	(88.9)	(36.6)
Total deficit		(391.3)	(313.9)

The notes on pages 79 to 127 are an integral part of these consolidated financial statements.

The financial statements on pages 73 to 127 were authorised for issue by the Board of Directors on 23 May 2014 and were signed on its behalf by:



Anders Kristiansen
CHIEF EXECUTIVE OFFICER

New Look Retail Group Limited
Registration number: 05810406

New Look Retail Group Limited

Consolidated statement of changes in equity

	Notes	Attributable to the shareholders of New Look Retail Group Limited					
		Share capital £m	Share premium £m	Treasury shares £m	Other reserves £m	Accumulated losses £m	Total equity £m
Balance at 24 March 2012	32, 33	10.4	0.6	(22.1)	(279.1)	(39.6)	(329.8)
Comprehensive income							
Profit for the financial period	33	—	—	—	—	3.4	3.4
Other comprehensive income							
Exchange differences on translation of foreign companies	33	—	—	—	0.9	—	0.9
Movements in hedged financial instruments	33	—	—	—	15.8	—	15.8
Tax on items recognised directly in equity	11	—	—	—	(4.0)	—	(4.0)
Actuarial loss on post employment benefit obligations	35	—	—	—	—	(0.5)	(0.5)
Total other comprehensive income		—	—	—	12.7	(0.5)	12.2
Total comprehensive income		—	—	—	12.7	2.9	15.6
Transactions with owners:							
Employee share option scheme:							
– value of employee services	33	—	—	—	—	0.1	0.1
Disposal of treasury shares	32	—	—	0.2	—	—	0.2
Total transactions with owners		—	—	0.2	—	0.1	0.3
Balance at 30 March 2013	32, 33	10.4	0.6	(21.9)	(266.4)	(36.6)	(313.9)
Comprehensive income and expense							
Loss for the financial period	33	—	—	—	—	(53.6)	(53.6)
Other comprehensive income							
Exchange differences on translation of foreign companies	33	—	—	—	(2.4)	—	(2.4)
Movements in hedged financial instruments	33	—	—	—	(28.2)	—	(28.2)
Tax on items recognised directly in equity	11	—	—	—	6.9	—	6.9
Total other comprehensive income and expense		—	—	—	(23.7)	—	(23.7)
Total comprehensive expense		—	—	—	(23.7)	(53.6)	(77.3)
Transactions with owners:							
Employee share option scheme:							
– value of employee services	33	—	—	—	—	(0.1)	(0.1)
Purchase of treasury shares	32	—	—	(1.4)	—	1.4	—
Total transactions with owners		—	—	(1.4)	—	1.3	(0.1)
Balance at 29 March 2014	32, 33	10.4	0.6	(23.3)	(290.1)	(88.9)	(391.3)

The notes on pages 79 to 127 are an integral part of these consolidated financial statements.

New Look Retail Group Limited

Consolidated statement of cash flows

		For the financial periods	
		52 weeks ended 29 March 2014	53 weeks ended 30 March 2013
	Notes	£m	£m
Cash flows from operating activities			
Operating profit		61.2	109.8
Depreciation of property, plant and equipment		59.0	65.5
Impairment of property, plant and equipment		14.4	2.7
Amortisation and impairment of intangible assets		51.0	6.7
Write back of investment in joint venture		(0.1)	—
Gain on disposal of property, plant and equipment and intangible assets		(9.5)	(7.4)
Net gain on acquisition of subsidiary		(2.9)	—
Share based payment expense / (credit)		6.3	(0.2)
Fair value losses in financial instruments		3.2	1.2
Foreign exchange losses / (gains) on operating activities		1.2	(0.1)
Amortisation of lease inducements		(11.8)	(11.9)
Decrease / (increase) in inventories		7.3	(11.0)
Decrease in trade and other receivables		13.5	4.5
Decrease in trade and other payables		(10.9)	(5.8)
Decrease in provisions		(0.7)	(3.7)
Income taxes (paid) / received		(5.4)	1.3
Purchase of treasury shares		(1.4)	—
Net cash flow generated from operating activities		174.4	151.6
Cash flows used in investing activities			
Purchase of property, plant and equipment		(42.7)	(45.9)
Purchase of intangibles		(10.5)	(15.8)
Proceeds from sale of property, plant and equipment		16.7	12.0
Net acquisition of foreign subsidiary		(0.1)	—
Net cash flow from investing activities		(36.6)	(49.7)
Cash flows used in financing activities			
Interest paid		(48.6)	(41.2)
Interest received		0.4	0.6
Repayment of borrowings		(880.7)	(161.0)
Proceeds from issuance of bonds		789.9	—
Net cash flow from financing activities		(139.0)	(201.6)
Net decrease in cash, cash equivalents and bank overdrafts	27	(1.2)	(99.7)
Opening cash, cash equivalents and bank overdrafts	27	113.6	212.3
Exchange (losses) / gains on cash, cash equivalents and bank overdrafts	27	(1.3)	1.0
Closing cash, cash equivalents and bank overdrafts	27	111.1	113.6

The notes on pages 79 to 127 are an integral part of these consolidated financial statements.

New Look Retail Group Limited

Notes to the Group financial statements

1. Authorisation of financial statements and statement of compliance with IFRSs

The consolidated financial statements of the Group for the 52 weeks ended 29 March 2014 were authorised for issue by the Board of Directors ("the Board") on 23 May 2014 and the balance sheet was signed on the Board's behalf by Anders Kristiansen. New Look Retail Group Limited is a private limited company incorporated and domiciled in England & Wales whose registered office is New Look House, Mercery Road, Weymouth, Dorset, England, DT3 5HJ. The registered number of the company is 05810406.

2. Summary of significant accounting policies

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

2.1 Basis of preparation

The Group financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards as adopted for use in the European Union (IFRSs as adopted by the EU), International Financial Reporting Standards Interpretations Committee (IFRSIC) interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements are presented in Pound Sterling and all values are rounded to the nearest million (£m) except where otherwise indicated.

There are no material differences between the results shown in the consolidated income statement and the results prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivatives) at fair value through the income statement.

2.1.1 Going concern

The Directors report that, having reviewed current performance and forecasts, they have a reasonable expectation that the Group has adequate resources to continue its operations for the foreseeable future. For this reason, they have continued to adopt the going concern basis in preparing the financial statements.

a) Standards, amendments and interpretations that were effective in the period and were adopted by the Group in preparing the financial statements.

Amendment to IAS 1 'Financial statement presentation' on other comprehensive income (OCI) – effective for accounting periods beginning on or after 1 July 2012. This amendment requires items disclosed in an entity's statement of other comprehensive income to be separated into two groups dependent on whether they may be recycled to profit and loss in the future or not. This amendment does not have a material impact on the Group's financial statements.

IAS 19 (revised 2011) 'Employee benefits' – effective for accounting periods beginning on or after 1 January 2013 and is to be applied retrospectively. This amendment makes significant changes to the recognition and measurement of defined benefit pension expense

and termination benefits and to the disclosures for all employee benefits. This revision does not have a material impact on the Group's financial statements.

IFRS 13 'Fair value measurement' – effective for accounting periods beginning on or after 1 January 2013. This standard provides the definition of fair value measurement and the disclosure requirements for use across IFRSs. Material differences between the fair value and carrying amount of items will be disclosed in the Group's financial statements.

The following standards were effective during the period but not relevant to the Group's operations:

- IAS 12 (amendment) 'Income taxes' on deferred tax relating to investment properties;
- IFRS 1 (amendments) 'First time adoption' on hyperinflation and fixed dates; and
- Annual improvements 2011.

b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group. The Group is still considering the impact of these changes, but any impact is not expected to be material to the Group's financial statements, unless stated otherwise below. No other existing standards that are not effective are relevant to the Group's operations.

IAS 32 (amendment) 'Financial instruments on asset and liability offsetting' - IAS 32 amendments effective for accounting periods beginning on or after 1 January 2014. The amendment is to the application guidance in IAS 32 that clarifies some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.

IFRS 10 'Consolidated financial statements' – effective for accounting periods beginning on or after 1 January 2014. This standard builds on the existing concept of control in determining whether an entity should be included within consolidated financial statements.

IFRS 11 'Joint arrangements' – effective for accounting periods beginning on or after 1 January 2014. This standard provides for revised principles on the treatment of joint arrangements by focusing on the rights and obligations rather than their legal form.

IFRS 12 'Disclosure of interest in other entities' – effective for accounting periods beginning on or after 1 January 2014. This standard includes the disclosure requirements for all forms of interests in other entities.

IAS 27 (revised) 'Separate financial statements' – effective for accounting periods beginning on or after 1 January 2014. This standard includes the provisions on separate financial statements of IAS 27 that have not been included in IFRS 10 'Consolidated financial statements'.

IAS 28 (revised) 'Investments in associates and joint ventures' – effective for accounting periods beginning on or after 1 January 2014. This standard requires joint ventures and associates to be equity accounted in accordance with the issue of IFRS 11 'Joint arrangements'.

IFRS 9 'Financial instruments' on deferral of mandatory effective date -

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Notes to the Group financial statements (continued)

effective for accounting periods beginning on or after 1 January 2015. This amendment delays the effective date to annual periods beginning on or after 1 January 2015. The original effective date was for annual periods beginning on or after 1 January 2013.

IFRS 10, 11 and 12 (amendments) on transition guidance – effective for accounting periods beginning on or after 1 January 2014. These amendments also provide additional transition relief in IFRSs 10, 11, 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. For disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied.

IFRS 10, 12 and IAS 27 (amendments) ‘Investment entities’ – effective for accounting periods beginning on or after 1 January 2014. These amendments permit many investment entities (funds or similar entities) to be exempt from consolidating controlled investees.

2.2 Basis of consolidation

The Group financial statements incorporate the financial statements of the Company, its subsidiary undertakings and joint venture. Joint ventures are accounted for using the equity method, see 2.3.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Acquisitions of subsidiaries by the Group prior to 1 July 2009 have been included in the Group financial statements using the purchase method of accounting that measures the assets and liabilities given, incurred or assumed at their fair value at the acquisition date, plus costs directly attributable to the acquisition. For all acquisitions occurring on or after 1 July 2009, costs relating to the acquisition shall be expensed.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Acquisitions which result from a newly created company issuing shares to achieve a business combination are treated as a group reorganisation. When the acquiree has not been combined with any other business and continues to meet the definition of a business then reverse acquisition accounting has been applied.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3 Interest in joint ventures

The Group has an investment in a joint venture which is jointly controlled through a separate legal entity. The Group recognises its interest using the equity method of accounting. The investment was initially recorded at cost and adjusted thereafter for the post acquisition changes in the Group's share of net assets less distributions received less any impairment in value. The Group's share of the entity's profit or loss after taxation is included in the consolidated income statement with the Group's share of any income and expense outside profit and loss recognised in the consolidated statement of comprehensive income.

2.4 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided to customers outside the Group, stated net of returns, staff discounts, and value added and other sales taxes.

The Group recognises revenue when the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. For example, it is the Group's policy to sell its products to the end customer with a right of return. Accumulated experience is used to estimate and provide for such returns.

Sales of goods and concession income are recognised when goods are delivered and title passed. Income from rendering of services is recognised when the services have been performed. Internet sales are recognised when the goods are despatched to the customer. Store card arrangement fees are recognised over the life of the agreement with the store card provider.

Revenue from concessions is shown on a net basis, being the commission received rather than the gross value achieved by the concessionaire on the sale.

Rental income in respect of sub-leased stores is recognised on a straight-line basis over the period of the sub-lease.

Franchise income is received in connection with the franchise of the Group's brand name overseas. Franchise royalty income represents the release of the upfront exclusivity fee that has been spread over the term of the agreement. Monthly franchise fee income is recognised in accordance with the related underlying trading performance of the franchisee. Monthly income covering the supply of goods to the franchisee is included in the sale of goods.

2.5 Cost of sales

Cost of sales consists of expenses incurred in getting products to a saleable position and condition. Such costs principally include purchasing of products from suppliers, packaging, freight and distribution costs.

2.6 Interest income

Interest income is accounted for on the accruals basis, by reference to the principal outstanding and the applicable effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

2.7 Exceptional items

Significant non-recurring items of income and expense are disclosed in the underlying profit reconciliation as exceptional items. The separate reporting of exceptional items helps provide an indication of the Group's underlying business performance.

Costs which may be classified as exceptional include costs of restructuring and reorganisation of the business (such as redundancies, directly related legal and professional costs, relocation costs and duplicate facility costs), writing down inventories by material amounts to net realisable value, writing down trade and other receivables by material amounts to their recoverable amount, impairments or reversal of impairments of intangible assets, property, plant and equipment, litigation settlements, costs incurred as part of the review of business financing, including abortive costs and refinancing costs not eligible to be treated as debt issue costs, one off bonus incentives, gains on acquisition of subsidiaries and directly related legal costs and the subsequent unwinding of acquisition fair value adjustments and gains or losses resulting from the disposal of the Mercy Road, Weymouth site.

2.8 Foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Sterling, which is the Group's presentational currency.

Transactions in foreign currencies, which are those other than the functional currency of an entity, are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the rates ruling at the balance sheet date. Resulting exchange gains or losses are recognised in the income statement for the period.

Upon consolidation, assets and liabilities of the Group's overseas subsidiary undertakings are translated into Sterling at the rate of exchange ruling at the balance sheet date and income statements are translated at the average exchange rate during the period. Differences on translation are recognised in a separate reserve. On disposal of an overseas subsidiary, the cumulative exchange differences for that subsidiary are recognised in the income statement as part of the profit or loss on disposal.

2.9 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any provision for impairment in value. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Asset Category	Useful life
Freehold buildings	50 years
Fixtures and equipment	3 to 15 years

Depreciation is provided to write down the cost of fixed assets to their estimated residual values, based on current prices at the balance sheet date, over their remaining useful lives on a straight-line basis.

Refurbishments are included in the asset's carrying amount only when it is probable that future economic benefits associated with the items will flow to the Group and the cost of the item can be measured reliably and are depreciated over the asset's remaining useful economic life. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's net carrying amount is written down immediately to its recoverable amount if the asset's net carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the net carrying amount.

2.10 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in 'intangible assets'. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose.

(b) Other intangible assets

Intangible assets acquired separately are capitalised at cost and those acquired as part of a business acquisition are capitalised at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Internally generated intangible assets are capitalised when certain criteria are met in accordance with IAS 38, otherwise this expenditure is charged against income in the year in which it is incurred.

The useful lives of these intangible assets are assessed to be either finite or indefinite. Intangible assets with an indefinite life are not amortised

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Notes to the Group financial statements (continued)

but are subject to an impairment test as described in note 2.11. Where amortisation is charged on assets with finite lives, this expense is taken to the consolidated income statement, on a straight-line basis, through administrative expenses, based on the useful life shown below:

Category	Useful life
Brand	Indefinite
Software licences	1 to 5 years
Domain names	5 to 10 years
Recoverable leasehold property premiums	Indefinite

Intangible assets with finite lives are assessed for impairment in accordance with note 2.11.

2.11 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the net carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (CGUs) and impairment is tested for groups of CGUs not larger than operating segments which are country sub-groups of each of the Group's brands, in line with internal management reporting.

For non-financial assets other than goodwill, impairment losses are reviewed for possible reversal at each reporting date. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at a revalued amount.

2.12 Financial instruments

(a) Derivative financial instruments

Derivative financial instruments ('derivatives') are used to manage risks arising from changes in foreign currency exchange rates relating to the purchase of overseas sourced products and changes in interest rates relating to the Group's debt. In accordance with its treasury policy, the Group does not enter into derivatives for speculative purposes.

Derivatives falling under the classifications laid out in IAS 39 are stated at fair value in the balance sheet.

The fair value of derivative contracts is their market value at the balance sheet date. Market values are calculated using mathematical models and are based on the duration of the derivative instrument together with quoted market data including interest rates, foreign exchange rates and market volatility at the balance sheet date. The fair value of interest rate contracts is the estimated amount that the Group would receive or pay to terminate them at the balance sheet date, taking into account prevailing interest rates.

(b) Hedge accounting

For the purpose of hedge accounting, hedges are classified as either fair value hedges where they hedge the exposure to changes in the fair value of a recognised asset or liability; or cash flow hedges where they hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecast transaction.

For derivatives that are designated and qualify as cash flow hedges, the effective portion of changes in fair value is recognised in other comprehensive income through the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in equity are reclassified to the income statement in the periods when the hedged item affects profit or loss.

When a cash flow hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in the hedging reserve in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in the hedging reserve in equity is immediately transferred to the income statement for the period.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged and continues to be accounted for in the manner that was applicable prior to it being hedged.

Changes in the fair value of derivatives which do not qualify for hedge accounting are recognised in the income statement as they arise.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts. The unrealised gains and losses on embedded derivatives are taken directly to the income statement.

(c) Non-derivative financial instruments

All loans and borrowings are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowing. All deposits are initially recognised at cost.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Interest costs are expensed in the income statement so as to achieve a constant finance cost as a proportion of the related outstanding borrowings.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost less any provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's net carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

Trade payables are initially recognised at fair value and subsequently measured at amortised cost.

The Group's unlisted investments are classified as available for sale and are stated at their historic cost less any impairment. They are included in non-current assets since management does not intend to dispose of the investments within 12 months of the balance sheet date.

2.13 Inventories

Inventories are valued at the lower of cost and net realisable value, using the weighted average cost basis.

Costs include the direct costs, measured at actual cost, and an attributable proportion of distribution overheads incurred in bringing inventories to their current location and condition.

Net realisable value is based on estimated selling price, less further costs to be incurred to disposal.

2.14 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, short term deposits with an original maturity of three months or less, and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within current financial liabilities.

2.15 Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Group financial statements, with the following exceptions:

- Where the temporary difference arises from the initial recognition of goodwill or a non business combination asset or liability;
- In respect of taxable temporary differences associated with investments in subsidiaries and the joint venture, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- Deferred tax assets are recognised only to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are offset against each other when there is a legally enforceable right to offset current tax assets against current tax liabilities, when the deferred income taxes relate to income taxes levied by the same tax jurisdiction and when the Group intends to settle its current tax assets and liabilities on a net basis.

Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.16 Employee benefit costs

(a) Pension obligations

The Group accounts for pensions and other post-retirement benefits under IAS 19.

The Group only operates defined contribution pension schemes in the UK and RoI. The Group has no further payment obligations once the contributions have been paid. Payments to defined contribution plans are recognised as an expense when the contributions fall due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The French subsidiaries are subject to a statutory scheme which consists of a single payment at the date of retirement which is classified as a defined benefit plan under IFRS. In respect of this plan, obligations are measured at the discounted present value by a qualified actuary.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to their present value.

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Notes to the Group financial statements (continued)

2.17 Share based payments

The Group operates a number of share based payment schemes: the Senior Management Scheme, the 2004 Share Scheme, the 2006 Option Plan and the 2008 Share Plan. Each scheme features both equity and cash settled components.

The cost of the equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined using an IFRS 2 compliant pricing model.

At each balance sheet date, the Group revises its estimates of the number of options or shares that are expected to vest. The impact of the revision, if any, is recognised in the income statement with a corresponding adjustment to reserves.

The Group provides for the expected cost of 'Good Leavers' which are settled in cash by estimating at each balance sheet date the likely amount of 'Good Leavers' until the date when vesting conditions are met. A provision is created on the balance sheet and a corresponding charge is made to the income statement. 'Good Leavers' could arise from redundancy, disability, injury or death. The actual cost of 'Good Leavers' in the period is charged against the provision brought forward.

Under the 2006 Option Plan and the 2008 Share Plan the number of shares that would vest under the 'Good Leaver' provision would be pro-rated to take into account the length of the holding period since the date of the grant and this pro-rated amount of shares would then be cash settled. Under the Senior Management Scheme and the 2004 Share Scheme the change in equity value from the date of the grant or issue of the shares using an appropriate valuation model is payable to the 'Good Leavers' in cash.

Other Leavers under the 2004 Share Scheme and the 2008 Share Plan are entitled to a cash payment. Provision is made for the cash to which Other Leavers are entitled.

2.18 Shares held by the ESOPs

The Employee Share Option Plan Trusts (ESOPs) were set up to allow the issue of shares to Group employees and are consolidated. The shares acquired by the ESOPs are included as treasury shares within capital and reserves at cost. Gains made by the ESOPs on purchasing and selling New Look Retail Group Limited shares are recorded within a separate ESOP reserve.

2.19 Provisions

A provision is recognised when: the Group has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre tax rate that reflects current market assessments of the time value of money and the

risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions for restructuring costs are recognised when the Group has a detailed formal plan for the restructuring that has been communicated to affected parties.

2.20 Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the Group. All other leases are classified as operating leases.

Where an arrangement is dependent on the use of a specified asset or assets, or conveys the right to use an asset, it is determined to contain a lease although this may not be its legal form. The lease element of the arrangement is accounted for as either a finance or operating lease.

Rentals payable under operating leases are charged to income on a straight line basis over the period of the lease. Premiums payable on entering an operating lease are charged to the income statement on a straight line basis over the lease term. Rent free periods and lease inducements receivable on entering an operating lease are recognised as deferred income and released to income on a straight-line basis over the lease term. Capital contributions from landlords are reflected as lease incentives.

2.21 Share capital

Ordinary share capital is classified as equity. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

2.22 Segment reporting

Operating segments by brand and geography are determined in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board.

2.23 Underlying operating profit

In addition to the information required by IFRS and to assist with the understanding of earnings trends, the Group has included within its financial statements a non-GAAP measure referred to as underlying operating profit. Management consider that underlying operating profit reflects the trading performance of the Group which excludes the impacts of exceptional items, share based payments and the marking to market of financial instruments not realised in the period.

3. Treasury and financial risk management

The Group's activities expose it to a variety of financial risks: liquidity risk, market risk (including foreign exchange rate risk and interest rate risk) and credit risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group operates a centralised treasury function which is responsible for managing the liquidity, interest and currency risks associated with the Group's activities. As part of its strategy for the management of those risks, the Group uses derivative financial instruments. In accordance with the Group's treasury policy, derivative instruments are not entered into for speculative purposes.

The Group's principal financial instruments, other than derivatives, are cash and short-term deposits, bank overdrafts and loans. The main purpose of these financial instruments is to raise finance for the Group's operations. In addition, the Group has various other financial assets and liabilities such as trade receivables and trade payables arising directly from its operations.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains certainty of funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position which comprise an undrawn revolving credit facility of £75.0 million (2013: £10.8 million) and an overdraft limit of £5.0 million (2013: £5.0 million) and cash and short-term deposits (note 21) on the basis of expected cash flow.

The Group monitors compliance against all its financial obligations and it is Group policy to manage the performance and position of the Group so as to operate within covenanted restrictions at all times.

Currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro and US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Foreign currency risk is the risk that the fair value of a financial commitment, recognised financial assets or financial liabilities will fluctuate due to changes in foreign currency rates.

The Group's principal foreign currency exposures arise from the purchase of overseas sourced products. Group policy is to hedge a proportion of these exposures for up to 15 months ahead in order to limit the volatility in the ultimate Sterling cost. This hedging activity involves the use of spot, forward and option contracts. To the extent that the translation of overseas assets is not offset by the effect of translating overseas liabilities, the effects are not currently hedged and are recognised within consolidated reserves.

To manage the foreign exchange risk arising from future commercial transactions and recognised financial assets and financial liabilities, forward contracts, managed by Group treasury, are used.

The periodic effects are determined by relating the hypothetical

changes in the risk variables to the balance of financial instruments at the reporting date. It is assumed that the balance at the reporting date is representative for the period as a whole.

During the period to 14 May 2013, debt Tranches B2, B5, C2 and C5 were denominated in Euros before being settled in full as part of the Group refinancing transaction. During the period 14 May 2013 to 29 March 2014, the Group had bond tranches denominated in Euros and US dollars. All other group borrowings were in Sterling.

The Group uses a currency swap to manage the foreign exchange exposure on the US dollar bond to convert the US dollar interest payments and the end of term repayment into Sterling.

During the period ended 29 March 2014, if Sterling had weakened by 5.0% against the Euro with all other variables held constant, post-tax loss (2013: gain) for the period would have been £6.2 million higher (2013: £0.5 million lower), mainly as a result of the translation of Euro denominated bonds; post-tax decrease (2013: decrease) in shareholder's deficit would have been £3.2 million higher (2013: £6.6 million lower) due to the consolidation of net assets and liabilities of foreign subsidiaries with their functional currency as Euro.

During the period ended 29 March 2014, if Sterling had weakened by 5.0% against the US dollar with all other variables held constant, post-tax loss (2013: gain) for the period would have been £1.3 million higher (2013: £2.5 million lower), mainly as a result of revaluation of overseas trade creditors; post-tax decrease (2013: decrease) in shareholders' deficit would have been £14.6 million higher (2013: £14.3 million higher) as a result of the movement in forward currency contracts.

The Group decided to hold cash in a Euro denominated bank account as a natural hedge for the effect of the revaluation of the Group's Euro denominated bank borrowing up until the Euro debt was settled on 14 May 2013 as part of the Group refinancing transaction. As at 30 March 2013, the amount of Euros held as a natural hedge was €65.8 million against the total Euro denominated bank borrowings of €65.8 million.

Interest rate risk

The Group uses interest rate derivatives to manage the cost of its floating rate debt by entering into fixed rate derivatives, so as to reduce exposure to changes in interest rates.

The Group analyses its interest rate exposure on a dynamic basis. Various forecasting is simulated taking into consideration refinancing, alternative financing and hedging. Based on these forecasts, the Group calculates the impact on profit and loss of a defined interest rate shift. For each forecast, the same interest rate shift is used across all currencies. The scenarios are only run for liabilities that represent the major interest-bearing positions. The forecasting is done on a regular basis to verify that the maximum loss potential is within the limit given by management.

Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Since the Group refinancing transaction on 14 May 2013, the Group has hedged 100% of the floating rate exposure. Prior to the refinancing, Group policy was to hedge 50-75% of floating rate exposure.

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The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps and interest rate caps. This has the economic effect of converting borrowings from floating rates to fixed rates.

Interest rate risks are presented by way of sensitivity analyses in accordance with IFRS 7. These show the effects of changes in market interest rates on interest payments, interest income and expense and other income components.

The interest rate sensitivity analyses are based on the following assumptions:

- In the case of fair value hedges designed for hedging interest rate risk, the changes in the fair value of the hedged item and the hedging instrument attributable to interest rate movements balance out almost completely in the income statement in the same period. As a consequence, these financial instruments are not exposed to interest rate risk;
- Certain financial instruments are designated as hedging instruments in a cash flow hedge to hedge payment fluctuations resulting from interest rate movements. Changes in the market interest rate affect the hedging reserve in shareholders' equity and are therefore taken into consideration in the equity-related sensitivity calculations;
- Changes in the market interest rate of interest rate derivatives affect other financial income or expense and are therefore taken into consideration in the income-related sensitivity calculations; and
- Currency derivatives are not exposed to interest rate risks and are therefore not included in the interest rate sensitivity calculations.

During the period ended 29 March 2014, if interest rates had been 100 basis points higher (2013: 100 bp) with all other variables held constant, post-tax loss (2013: profit) for the period would have been £0.4 million lower (2013: £8.4 million lower), mainly as a result of a higher interest income on floating rate deposits; post-tax movement in equity would be £0.6 million higher (2013: £2.3 million lower) as a result of movement in cash flow hedges.

During the period ended 29 March 2014, if interest rates on Euro denominated borrowings had been 100 basis points higher (2013: 100 bp) with all other variables held constant, post-tax loss (2013: profit) for the period would have been unaffected (2013: £0.6 million lower) due to the equal and opposite offset of the interest rate swaps held to convert the floating rate interest to fixed rate interest.

Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

The credit ratings of banks with which the Group has investments of cash surpluses, borrowings or derivative financial instruments are

reviewed regularly by management. Each bank is assessed individually with reference to the credit it holds and deposit limits are set, which are approved by the Board and reconsidered if the Fitch, Moody or S&P credit rating falls below an "A" rating.

Receivable balances are monitored on an on-going basis and provision is made for estimated irrecoverable amounts.

Capital risk management

The Group's principal objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits for stakeholders.

The Group had debt covenants imposed by its lenders to be achieved in order to maintain the level of borrowings. Covenant tests were carried out quarterly and at the end of each financial period. There were no breaches of the covenants up to the date on which the Group refinanced (2013: none).

As a result of the refinancing on 14 May 2013, the quarterly debt covenant reporting requirements ceased. The Revolving Credit Facility Agreement requires the Group to comply with a leverage ratio, defined as the ratio of consolidated net indebtedness at such date to adjusted EBITDA for the period of the most recent 4 consecutive financial quarters. New covenant measures will be tested quarterly with the first date commencing on 28 June 2014. For further details on the refinancing transaction see note 28.

The Group must ensure sufficient capital resources are available for working capital requirements and meeting principal and interest payment obligations as they fall due.

As at 29 March 2014, net debt was £1,045.8 million (2013: £1,096.0 million), see note 27.

4. Critical accounting estimates, judgements and assumptions

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 Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below:

(a) Estimated impairment of intangible assets with indefinite lives

The Group tests whether intangible assets with indefinite lives have suffered any impairment in accordance with the accounting policy stated. The recoverable amounts of cash-generating units have been determined based on the higher of value in use or fair value less cost to sell. These calculations require the use of estimates as detailed in note 14.

(b) Income taxes

The Group is subject to income taxes in numerous jurisdictions. At each financial period end, judgement is required in determining the

Group provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises anticipated tax liabilities based on the best estimates of whether additional taxes will be due at the balance sheet date. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

(c) Share based payments

The share based payment expense is recognised in each period as it is incurred, based on a fair value model, and estimates of the likely future cash payments to leavers. The key assumptions include the estimated timing of a change in control of the Group or a listing. The remaining key assumptions of this model are presented in note 31.

(d) Estimated useful life of intangibles, property, plant and equipment

The Group estimates the useful life and residual values of intangible assets, property, plant and equipment and reviews these estimates at each financial period end. The Group also tests for impairment when a trigger event occurs, or annually as appropriate.

(e) Onerous lease provisions

When a property ceases to be used for the purposes of the business, a provision is made to the extent that the recoverable amount of the interest in the property is expected to be insufficient to cover the future obligations relating to the lease. Where possible, the property is subleased at the prevailing rent.

A provision is also booked on loss making stores where the discounted future cash flows are not expected to cover future payments under the lease contract. The key assumptions to these provisions are the estimated future cash flows and applied discount rates.

(f) Impairment of financial assets

The Group follows the guidance of IAS 39 to determine when a financial asset is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(g) Inventory provisions

The Group estimates a slow moving inventory provision based on prior movements and current market conditions.

(h) Exceptional items

The Group applies judgement in identifying the significant non-recurring items of income and expense that are recognised as exceptional to help provide an indication of the Group's underlying business performance.

5. Segment information

Management has determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions.

The Board considers the business from both a New Look brand and geographic perspective. Geographically, management considers the performance of the UK (UK Retail and E-commerce) and International (all other streams).

The reportable segments derive their revenue primarily from the sale of retail goods and gross concession sales. New Look brand & UK segments include rental income and store card income.

The Board assesses the performance of the operating segments based on revenue grossed up to include the sales of store concessions ('segmental gross transactional value') and on a measure of underlying operating profit (see definition in note 2.23). This measurement basis excludes the effects of exceptional items, share-based payments and unrealised gains/losses on financial instruments. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

New Look Retail Group Limited
Notes to the Group financial statements (continued)

5. Segment information (continued)

The segment information provided to the Board for the reportable segments by brand and by geographic segment, are as follows:

	For the financial periods	
	52 weeks ended 29 March 2014	53 weeks ended 30 March 2013
	£m	£m
External revenue		
New Look brand		
– UK Retail*	1,034.3	1,061.2
– E-commerce*	149.8	91.4
– International	152.6	149.2
– Franchise	59.9	58.5
Total New Look brand	1,396.6	1,360.3
Mim brand		
– Owned stores	160.8	154.0
Total Mim brand	160.8	154.0
Segmental gross transactional value	1,557.4	1,514.3
Adjustment to state concession income on a net basis for statutory reporting purposes	(28.6)	(30.3)
Total Group external revenue	1,528.8	1,484.0

* A reclassification of £2.7 million for sale returns between UK Retail and E-commerce has been included in the comparative.

	For the financial periods	
	52 weeks ended 29 March 2014	53 weeks ended 30 March 2013
	£m	£m
External revenue		
UK	1,184.1	1,152.6
International	373.3	361.7
Segmental gross transactional value	1,557.4	1,514.3
Adjustment to state concession income on a net basis for statutory reporting purposes	(28.6)	(30.3)
Total Group external revenue	1,528.8	1,484.0

The revenue from external parties reported to the Board is measured in a manner consistent with that in the income statement except for the gross up of store concessions sales.

	For the financial periods	
	52 weeks ended 29 March 2014	53 weeks ended 30 March 2013
	£m	£m
Underlying operating profit		
New Look brand		
– UK Retail*	94.3	92.8
– E-commerce*	35.2	14.5
– International	2.4	0.9
– Franchise	7.5	9.4
Total New Look brand	139.4	117.6
Mim brand		
– Owned stores	(10.9)	(2.1)
Total Mim brand	(10.9)	(2.1)
Total Group underlying operating profit	128.5	115.5

	For the financial periods	
	52 weeks ended 29 March 2014	53 weeks ended 30 March 2013
	£m	£m
Underlying operating profit		
UK	129.5	107.3
International	(1.0)	8.2
Total Group underlying operating profit	128.5	115.5

* A reclassification of £1.3 million for sale returns between UK Retail and E-commerce has been included in the comparative.

Underlying operating profit is defined in note 2.23 and is reconciled to operating profit on page 74.

	For the financial periods	
	52 weeks ended 29 March 2014	53 weeks ended 30 March 2013
	£m	£m
Capital expenditure		
New Look brand		
– UK Retail	44.2	58.8
– E-commerce	2.5	3.5
– International	7.5	2.0
– Franchise	—	—
Total New Look brand	54.2	64.3
Mim brand		
– Owned stores	4.3	2.1
Total Mim brand	4.3	2.1
Total Group capital expenditure	58.5	66.4

New Look Retail Group Limited
Notes to the Group financial statements (continued)

5. Segment information (continued)

	For the financial periods	
	52 weeks ended 29 March 2014	53 weeks ended 30 March 2013
	£m	£m
Capital expenditure		
UK	46.7	62.3
International	11.8	4.1
Total Group capital expenditure	58.5	66.4

	For the financial periods	
	52 weeks ended 29 March 2014	53 weeks ended 30 March 2013
	£m	£m
Depreciation and amortisation		
New Look brand		
– UK Retail	52.2	54.9
– E-commerce	4.7	3.4
– International	6.3	8.1
– Franchise	—	—
Total New Look brand	63.2	66.4
Mim brand		
– Owned stores	6.1	7.1
Total Mim brand	6.1	7.1
Total Group depreciation and amortisation	69.3	73.5

	For the financial periods	
	52 weeks ended 29 March 2014	53 weeks ended 30 March 2013
	£m	£m
Depreciation and amortisation		
UK	56.9	58.3
International	12.4	15.2
Total Group depreciation and amortisation	69.3	73.5

Analyses of the Group's external revenues (by customer location) and non-current assets (excluding investments, deferred tax assets and other financial assets) by geographical location are detailed below:

	External revenue		Non-current assets	
	52 weeks ended 29 March 2014	53 weeks ended 30 March 2013	52 weeks ended 29 March 2014	53 weeks ended 30 March 2013
	£m	£m	£m	£m
United Kingdom	1,142.5	1,113.5	772.0	845.5
France	226.5	219.4	74.1	105.5
Rest of Europe	115.2	111.6	33.1	15.1
Middle East	35.3	31.0	—	—
Rest of World	9.3	8.5	0.8	—
	1,528.8	1,484.0	880.0	966.1

6. Revenue

	For the financial periods	
	52 weeks ended 29 March 2014	53 weeks ended 30 March 2013
	£m	£m
Sale of goods	1,505.0	1,463.1
Rental income	1.8	2.0
Store card arrangement fee	2.8	2.9
Franchise royalty income	0.4	0.4
Concession income (net)	18.8	15.6
Revenue	1,528.8	1,484.0

Included within rental income is contingent rent of £0.5 million (2013: £0.6 million).

7. Operating profit

	For the financial periods	
	52 weeks ended 29 March 2014	53 weeks ended 30 March 2013
	£m	£m
Group operating profit is stated after charging/(crediting):		
Staff costs (note 8a)	234.9	226.6
Depreciation of property, plant and equipment	59.0	65.5
Impairment loss of property, plant and equipment	14.4	2.7
Amortisation of intangible assets	10.3	8.0
Impairment loss / (reversal) of intangible assets	40.7	(1.3)
Impairment reversal of investment in joint venture	(0.1)	—
Amortisation of lease incentives	(6.6)	(7.0)
Gain on disposal of property, plant and equipment	(10.0)	(6.0)
Loss / (gain) on disposal of intangible assets	0.5	(1.4)
Operating lease charges:		
– Minimum lease payments	178.5	180.3
– Contingent rent payments	0.2	0.1
Net foreign exchange differences	(1.9)	1.7
Cost of inventories recognised as an expense through cost of sales	636.8	614.2
Write down of inventories to net realisable value through cost of sales	15.3	15.9
Auditors' remuneration:		
Fees payable to the company's auditor for the audit of the Group and parent company	0.2	0.2
Fees payable to the company's auditor and its associates for other services:		
– The audit of the company's subsidiaries pursuant to legislation	0.3	0.2
– Tax compliance services	0.1	0.1
– Tax advisory services	0.6	0.5
– Other assurance services	0.3	0.5
– All other services	0.8	0.4

Included in auditors' remuneration are out of pocket expenses paid to Group auditors.

New Look Retail Group Limited
Notes to the Group financial statements (continued)

8a. Staff costs

	For the financial periods	
	52 weeks ended 29 March 2014	53 weeks ended 30 March 2013
	£m	£m
Wages and salaries	202.4	202.2
Social security costs	23.4	22.4
Other pension costs (note 35)	2.8	2.2
	228.6	226.8
Share based payment expense/(credit) (note 31)	6.3	(0.2)
	234.9	226.6

In addition to the above, costs relating to temporary and contract staff total £6.3 million (2013: £4.2 million).

The average monthly number of employees of the Group (including Directors) during the period was:

	For the financial periods	
	52 weeks ended 29 March 2014	53 weeks ended 30 March 2013
	Number	Number
Administration and distribution	2,332	2,383
Retailing	17,741	18,765
	20,073	21,148

If the number of part-time hours were converted on the basis of a full working week, the equivalent average number of full-time employees would be 10,693 (2013: 11,476).

Compensation for key management personnel

The compensation for key management personnel, including the Directors, was as follows:

	For the financial periods	
	52 weeks ended 29 March 2014	53 weeks ended 30 March 2013
	£m	£m
Short term employee benefits	5.1	2.5
Termination benefits	0.2	—
Post employment benefits	0.1	—
Share based payments	1.0	—
	6.4	2.5

Retirement benefits are accruing to two members of key management (2013: two) at the end of the period. Directors' remuneration is detailed in note 8b on the following page.

8b. Directors' remuneration

(a) Historical aggregate emoluments

The Directors' emoluments table below includes aggregate emoluments of all Executive and Non-Executive Directors of New Look Retail Group Limited who provided qualifying services during the financial periods ended 29 March 2014 and 30 March 2013.

	For the financial periods	
	52 weeks ended 29 March 2014	53 weeks ended 30 March 2013
	£m	£m
Aggregate emoluments in respect of qualifying services	4.4	2.1
Company contributions paid in respect of pension schemes	—	—

There have been no waivers of emoluments by any of the Directors in the reporting period. No (2013: none) Directors exercised share options, one (2013: none) Director sold an interest in shares and no (2013: three) Directors were granted shares in the period. Retirement benefits are accruing to no (2013: none) Directors at the end of the period.

(b) Directors' details

Directors

A McGeorge, T Lane, A Miller, M Garland, A Kristiansen, T Singh, C Bamberger Bro and M Halusa were Directors as at 29 March 2014. F Andreottola resigned on 18 December 2013 and O Pinya resigned on 18 February 2014. C Bamberger Bro was appointed on 18 December 2013 and M Halusa was appointed on 18 February 2014.

In the financial period ended 29 March 2014, each of the following were Executive Directors: A McGeorge, T Singh, A Kristiansen and A Miller (2013: A McGeorge, T Singh, A Kristiansen and A Miller).

During the financial period, A McGeorge and A Miller announced their intention to resign as Directors on 31 May 2014 and 11 April 2014 respectively.

As a representative of Permira, M Garland and C Bamberger Bro have an indirect economic interest in the shares of the Company held by the Permira Funds. As representatives of Apax, T Lane and M Halusa have an indirect economic interest in the shares of the Company held by the Apax Funds. During the financial period, a monitoring fee of £201,000 (2013: £197,000) was payable to Apax and a monitoring fee of £150,000 (2013: £150,000) to Permira.

For details of transactions with the Directors, including payment-in-kind (PIK) interest, see note 36.

Highest paid Director

	For the financial periods	
	52 weeks ended 29 March 2014	53 weeks ended 30 March 2013
	£m	£m
Aggregate emoluments in respect of qualifying services	1.6	0.7
Company contributions paid in respect of pension schemes	—	—

New Look Retail Group Limited
Notes to the Group financial statements (continued)

9. Finance income and expense

	For the financial periods	
	52 weeks ended 29 March 2013	53 weeks ended 30 March 2013
	£m	£m
Finance income		
Interest on bank deposits	0.4	0.6
Exchange rate gain on revaluation of Euro bond	4.0	—
Exchange rate gain on revaluation of US dollar bond*	2.9	—
Exchange rate gain on revaluation of Euro cash	0.4	0.5
Gain on cancellation of PIK debt	—	9.1
Total finance income	7.7	10.2
Finance expense		
Interest on bonds, bank loans and overdrafts	68.3	35.4
Interest on other loans	47.8	71.5
Premium on PIK prepayment	1.2	—
Exchange rate loss on revaluation of Euro loans	0.4	0.5
Amortisation of issue costs on loans	2.6	6.8
Finance expense before exceptional expenses	120.3	114.2
Exceptional items – finance expense		
Refinancing costs	3.2	2.4
Total finance expense	123.5	116.6

* During the financial period, £10.9 million of losses resulting from the US dollar cross currency derivatives, accounted for as a cash flow hedge, were recycled from reserves into finance income in the consolidated income statement and net against the £13.8 million gain on revaluation of the US dollar bond.

Gain on cancellation of PIK debt

In July 2012, as part of the renegotiation of Senior and Mezzanine debt maturities, the Group was provided with the ability to repay part of the PIK debt. During the previous financial period, the Group achieved the required level of leverage to satisfy the covenant and bought back £47.1 million of PIK debt for consideration of £38.0 million.

Premium on PIK prepayment

As permitted under the PIK facility agreement dated 14 May 2013, New Look Finance II Plc gave notice to debt investors on 20 February 2014 that the Group intended to prepay an amount of the new PIK debt equal to a principal amount of £38.4 million plus accrued interest of £0.4 million and a redemption premium of £1.2 million. The prepayment was settled on 24 March 2014.

Refinancing costs

In 2012, the Group incurred £6.8 million of costs in relation to renegotiating its Senior and Mezzanine loans which were capitalised against the debt and released during the period. In February 2013, the Group began a number of investigative and preparatory steps in connection with a potential debt refinancing. £2.4 million of costs were incurred in relation to these steps.

As a result of the Group refinancing during the current financial period, £18.0 million of costs incurred were capitalised into the value of the borrowings and subsequently £2.6 million of these capitalised debt costs have been amortised and £3.2 million of costs were incurred.

10. Exceptional items

	For the financial periods	
	52 weeks ended 29 March 2014	53 weeks ended 30 March 2013
	£m	£m
Operating exceptional items		
Impairment loss	64.6	1.4
Gain on acquisition of subsidiary	(2.5)	—
Exceptional bonus incentive	2.3	—
Restructuring operating base	0.2	4.3
Review of business financing	0.9	0.7
Redevelopment of Mercery Road	(9.1)	(6.0)
Franchise receivable impairment	1.4	4.3
Total operating exceptional items	57.8	4.7
Refinancing costs (note 9)	3.2	2.4
Total exceptional items	61.0	7.1

Impairment loss

An impairment charge has been recognised to write down tangible and intangible assets in stores to their recoverable amount as a result of a decline in trading conditions for certain stores. The recoverable amount was calculated based on the value in use of the individual stores. The calculation of value in use was most sensitive to the following assumptions:

- Forecast operating cash flows for the remaining period of the lease which were based on approved budgets and plans;
- The rate of growth used to extrapolate cash flows and the pre-tax discount rate are disclosed in note 14.

During the financial period, management also reviewed the value in use of the Mim business based on the latest 3 year forecast of future operating cash flows. As a result, the carrying value of the Mim net assets held by the Group has been written down to their value in use. Details of the assumptions used in these calculations are included in note 14.

During the financial period ended 24 March 2012, management reviewed its ability to recover the investment in its 50% interest in NLT Tekstil Sanayi Ve Ticaret Limited Şirketi. The recoverable amount of the joint venture was calculated based on the present value of the discounted future cash flows and a resulting impairment loss recorded in the income statement of £0.7 million. During the financial period ended 29 March 2014, £0.1 million of previously impaired investment was written back.

Gain on acquisition of subsidiary

On 14 February 2014, the Group acquired two subsidiary companies from its Franchise Partner in Poland. The difference between the consideration paid and the assets acquired and liabilities assumed on acquisition resulted in a gain on acquisition of £3.2 million. Legal costs incurred directly relating to the acquisition of £0.4 million and an unwinding of the fair value adjustment on inventories of £0.3 million have also been included above in the net gain on acquisition. Further details of the acquisition are included in note 16.

Exceptional bonus incentive

In a previous period, the Board of Directors approved a one-off incentive scheme related to the turnaround of the Group's business performance for a small number of Executive Directors. Under this scheme, two bonus payments become payable in the event that the Group's EBITDA reaches a certain threshold, as agreed by the Board. The Group incurred a charge of £2.3 million with respect to the first bonus payment under this scheme in the financial period. Depending on the Group's future EBITDA performance, the Group may incur additional charges in a future period.

Restructuring operating base

During the financial period ended 30 March 2013, the Group incurred £4.3 million in reviewing and restructuring its operating cost base to align the Group's strategies, structures and costs to the challenging macro-economic environment. This included £2.6 million which was incurred in preparation for the termination and relocation of the Group's E-commerce logistics operations which were previously outsourced before being brought in house to the main distribution site at Lymedale. An additional £0.2 million was incurred during the financial period.

New Look Retail Group Limited
Notes to the Group financial statements (continued)

10. Exceptional items (continued)

Review of business financing/refinancing costs

During the financial period ended 29 March 2014, the Group undertook a debt refinancing. Total costs incurred were £22.1 million, of which £18.0 million have been capitalised as debt issue costs, £3.2 million recognised as an exceptional finance expense (note 9) and £0.9 million as an operational expense.

During the financial period ended 30 March 2013, the Group incurred total costs of £3.1 million as part of the preparatory work for the refinancing of which £2.4 million were recognised as a finance expense (note 9).

Redevelopment of Mercery Road

During the financial periods ended 29 March 2014 and 30 March 2013, as part of the redevelopment of the Group's land on its Mercery Road, Weymouth site, a gain on disposal was recognised in relation to the sale of the land to Sainsburys. See note 13 for further information.

Franchise receivable impairment

During the financial period ended 30 March 2013, the outstanding receivable balance with the Russian franchise partner of £4.3 million was fully impaired as it was no longer expected to be recoverable due to the on-going financial difficulties experienced by the partner. An additional receivable balance of £1.4 million arising in the financial period ended 29 March 2014 was fully impaired due to the continuation of the partner's financial difficulties.

11. Taxation

	For the financial periods	
	52 weeks ended 29 March 2014	53 weeks ended 30 March 2013
	£m	£m
Current tax:		
UK corporation tax on losses/profits of the period	1.5	8.1
Double tax relief	(0.2)	(0.2)
UK adjustment in respect of prior periods	3.5	(2.8)
Overseas tax	0.8	0.5
Overseas adjustment in respect of prior periods	(0.1)	0.1
Total current tax	5.5	5.7
Deferred tax:		
Origination and reversal of temporary differences	(4.2)	(1.7)
Impact of change in UK corporation tax rate	(5.5)	(3.5)
Adjustment in respect of prior period	2.8	(0.8)
Total deferred tax	(6.9)	(6.0)
Income tax credit	(1.4)	(0.3)

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits and losses of the consolidated entities as follows:

	For the financial periods	
	52 weeks ended 29 March 2014	53 weeks ended 30 March 2013
	£m	£m
(Loss) / profit before taxation	(55.0)	3.1
Tax (credit) / charge on (loss)/profit at standard rate of 23% (2013: 24%)	(12.7)	0.7
Reasons affecting credit charge for the period:		
Depreciation on non-qualifying assets	4.2	2.0
Expenses not deductible for tax purposes	14.3	1.5
Deferred tax liability reversed following impairment	(10.6)	–
Foreign tax charged at a different rate than UK standard rate	(0.3)	(0.9)
Tax losses for which no deferred income tax asset was recognised	3.0	3.5
Re-measurement of deferred tax – change in the UK corporation tax rate	(5.5)	(3.5)
Adjustment to current tax charge in respect of prior periods	3.4	(2.8)
Adjustment to deferred tax charge in respect of prior periods	2.8	(0.8)
Income tax credit	(1.4)	(0.3)

The Finance Act 2013 was substantively enacted on 17 July 2013 and reduced the main rate of corporation tax to 21% with effect from 1 April 2014 and 20% from 1 April 2015. Closing deferred tax balances have therefore been valued at 20% (2013: 23%).

In addition to the amount credited/charged to the consolidated income statement, tax movements recognised directly in equity as shown in the consolidated statements of comprehensive income and of changes in equity were as follows:

	For the financial periods	
	52 weeks ended 29 March 2014	53 weeks ended 30 March 2013
	£m	£m
Deferred tax:		
Foreign exchange movements taken to translation reserve	0.3	(0.1)
Other temporary differences	6.6	(3.9)
Tax credit/(expense) on items recognised directly in equity	6.9	(4.0)

New Look Retail Group Limited
Notes to the Group financial statements (continued)

11. Taxation (continued)

Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax authority.

	As at	
	29 March 2014	30 March 2013
	£m	£m
Deferred tax asset to be recovered within 12 months	13.9	17.3
Deferred tax asset to be recovered after more than 12 months	13.1	12.5
	27.0	29.8
Deferred tax liability falling due within 12 months	—	—
Deferred tax liability falling due after more than 12 months	(61.1)	(77.7)
	(61.1)	(77.7)
	(34.1)	(47.9)

The movement in the period is as follows:

	Accelerated capital allowances	Brand	Other temporary differences	Total
	£m	£m	£m	£m
At 24 March 2012	2.3	83.0	(35.4)	49.9
(Credited) / charged to income statement	(4.1)	(5.6)	3.7	(6.0)
Recognised directly in equity	—	0.1	3.9	4.0
At 30 March 2013	(1.8)	77.5	(27.8)	47.9
(Credited) / charged to income statement	(2.4)	(18.8)	14.3	(6.9)
Recognised directly in equity	—	(0.3)	(6.6)	(6.9)
At 29 March 2014	(4.2)	58.4	(20.1)	34.1

There is a deferred tax asset in respect of capital losses of £1.9 million (2013: £2.1 million) that has not been recognised due to uncertainty as to whether there will be sufficient taxable profits in the future against which the asset could be utilised.

PIK interest and onerous lease cost are the main items included in other temporary differences.

Deferred tax assets of £14.3 million (2013: £15.2 million) relating to losses in Mim, New Look France, New Look Belgium and New Look Holland have not been recognised at a Group level as there is no certainty when these losses will be relieved.

No liability has been recognised in respect of temporary differences associated with investments in subsidiaries, branches and interests in the joint venture, where the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future. The aggregate amount of temporary differences associated with these investments, for which a deferred tax liability has not been recognised, is £8.9 million (2013: £6.7 million).

12. Dividends

No dividends have been proposed, declared or paid during the periods ended 29 March 2014 or 30 March 2013.

13. Property, plant and equipment

	Freehold land and buildings	Fixtures and equipment	Total
	£m	£m	£m
Cost			
At 24 March 2012	15.8	532.5	548.3
Exchange movement	—	1.2	1.2
Additions	9.1	41.5	50.6
Disposals	(6.2)	(23.2)	(29.4)
At 30 March 2013	18.7	552.0	570.7
Exchange movement	—	(3.2)	(3.2)
Additions*	(1.3)	44.7	43.4
Acquisitions (note 16)	—	3.2	3.2
Disposals	(6.4)	(19.0)	(25.4)
At 29 March 2014	11.0	577.7	588.7
Accumulated depreciation			
At 24 March 2012	(3.4)	(341.5)	(344.9)
Exchange movement	—	(1.5)	(1.5)
Depreciation charge	(0.2)	(65.3)	(65.5)
Impairment reversal / (loss)	0.4	(3.1)	(2.7)
Disposals	3.0	23.1	26.1
At 30 March 2013	(0.2)	(388.3)	(388.5)
Exchange movement	—	2.8	2.8
Depreciation charge	(0.2)	(58.8)	(59.0)
Impairment loss	—	(14.4)	(14.4)
Reclassification**	—	1.7	1.7
Disposals	—	18.3	18.3
At 29 March 2014	(0.4)	(438.7)	(439.1)
Net Book Value			
29 March 2014	10.6	139.0	149.6
30 March 2013	18.5	163.7	182.2

* Freehold land and buildings includes a release of £2.1 million capital accrual

** Reclassification of depreciation/amortisation to software within intangible assets

Freehold land of £1.2 million (2013: £6.3 million) is not depreciated.

Included within fixtures and equipment are assets in the course of construction of £7.0 million (2013: £9.3 million), which are not depreciated.

At 29 March 2014, the Group has entered into contractual commitments for the acquisition of property, plant and equipment amounting to £10.3 million (2013: £3.3 million).

An impairment charge has been recognised to write down property, plant and equipment in stores and management also have reviewed the net assets of the Mim business which resulted in a further impairment loss. See note 14 for further details.

On 27 April 2011, the Weymouth and Portland Borough Council made the decision to support New Look's outline planning application for its Weymouth Gateway regeneration plans to redevelop the Group's land on its Mercery Road, Weymouth site. The plans included a new office building for New Look, a Sainsbury's supermarket, a hotel, family restaurant, and additional commercial units.

During the financial period ended 30 March 2013, the Group recognised a gain on the disposal of land following completion of clearance works.

During the financial period ended 29 March 2014, the Group recognised a further gain on disposal of land in relation to the site sold to Sainsbury's (see note 10).

New Look Retail Group Limited
Notes to the Group financial statements (continued)

14. Intangible assets

	Goodwill	Brands	Recoverable leasehold property premiums	Software licences	Total
	£m	£m	£m	£m	£m
Cost					
At 24 March 2012	365.3	317.9	29.7	52.8	765.7
Exchange movement	—	0.3	0.3	0.1	0.7
Additions	—	0.2	0.3	15.3	15.8
Disposals	—	—	(2.3)	(2.6)	(4.9)
At 30 March 2013	365.3	318.4	28.0	65.6	777.3
Exchange movement	—	(0.8)	(0.6)	—	(1.4)
Additions	—	1.3	0.7	9.8	11.8
Acquisitions (note 16)	—	—	—	0.1	0.1
Disposals	—	—	(0.7)	(2.0)	(2.7)
At 29 March 2014	365.3	318.9	27.4	73.5	785.1
Accumulated amortisation and impairment					
At 24 March 2012	—	—	(4.9)	(24.6)	(29.5)
Amortisation charge	—	—	—	(8.0)	(8.0)
Impairment reversal/(loss)	—	—	1.4	(0.1)	1.3
Disposals	—	—	1.0	2.6	3.6
At 30 March 2013	—	—	(2.5)	(30.1)	(32.6)
Exchange movement	—	0.7	0.3	—	1.0
Amortisation charge	—	—	(0.3)	(10.0)	(10.3)
Impairment loss	—	(38.2)	(2.0)	(0.5)	(40.7)
Reclassification*	—	—	—	(1.7)	(1.7)
Disposals	—	—	0.3	1.9	2.2
At 29 March 2014	—	(37.5)	(4.2)	(40.4)	(82.1)
Net book value					
At 29 March 2014	365.3	281.4	23.2	33.1	703.0
At 30 March 2013	365.3	318.4	25.5	35.5	744.7

* Reclassification of depreciation/amortisation from fixtures and equipment within property, plant and equipment

As at 29 March 2014, the Group had entered into contractual commitments for the acquisition of software amounting to £0.6 million (2013: £2.4 million).

The lowest CGUs within the Group are individual stores, however for the purpose of the Goodwill and Brand intangible impairment review; the lowest group of CGUs are the country sub-groups of the Group's brands, which is in line with internal management reporting. Brands have been allocated between these groups. Goodwill arising from business combinations is all allocated to the UK.

Brands include the New Look and Mim brands acquired through business combinations. Fair value was established by independent valuers and was based on the relief from royalty method. The Group is committed to the continuing development of the New Look brand but conclude that brands have indefinite useful lives.

Certain premiums paid on acquisition of short leasehold property in mainland Europe are expected to be recoverable from subsequent tenants. Recoverable leasehold property premiums are pledged as security for the related lease rental liabilities. To support the recoverable amount, value in use calculations were performed at a store level and in some cases independent third party valuations were obtained on the premiums paid resulting in an impairment loss of £1.0 million (2013: impairment reversal of £1.4 million).

The value in use of relevant groups of CGUs for impairment testing purposes have been determined based on calculations using cash flow projections from the financial plans approved by the Board covering a three year period from the balance sheet date.

The calculation of value in use is most sensitive to the following assumptions:

- The forecast operating cash flows for the next three years are based on approved budgets and plans. These budgets and plans are based on past performance and expectations for the market development of the relevant groups of CGUs;
- An estimate of the long-term effective tax rate for the CGU; and
- The rate of growth used to extrapolate cash flows beyond the three year plan period is 2.0% per annum (2013: 2.0%). This growth rate is based on published estimates of the long-term growth in Gross Domestic Product in the respective CGUs and inflation.

For the New Look brand, the resulting cash flows were discounted using a pre-tax discount rate of 10.1% (2013: 11.1%). For the Mim brand, the resulting cash flows were discounted using a pre-tax discount rate of 7.7% (2013: 9.5%). These rates reflect management's estimate of the cost of capital for the business.

Management does not believe that any reasonable change in any of the above key assumptions would cause the carrying value of goodwill or the New Look brand to exceed their recoverable amounts.

During the period, management reviewed the carrying value of Mim's net assets which are recognised by the Group based on the value in use as described above. The resulting value in use did not support the carrying value of the net assets and therefore an impairment loss of £14.9 million on property, plant and equipment; £39.7 million on intangible assets and £9.5 million on trade and other receivables has been recognised.

Sensitivity to changes in assumptions

In analysing the impairment of Mim's net assets, if the pre-tax discount rate had been 1% higher or 1% lower, the Group's operating profit would have been £0.5 million lower or £0.7 million higher. If the terminal growth rate had been 1% higher or 1% lower, the Group's operating profit would have been £0.7 million higher or £0.5 million lower.

As at 30 March 2013, the recoverable amount exceeded the carrying amount by £73.8 million.

15. Investment in joint venture

The Group has a 50% interest in NLT Tekstil Sanayi Ve Ticaret Limited Şirketi, a jointly controlled entity incorporated in Turkey, which sources product on behalf of the Group.

The Group's share of the assets, liabilities, revenue and expenses of the jointly controlled entity are as follows:

	As at	
	29 March 2014	30 March 2013
	£m	£m
Share of the joint venture's balance sheet		
Non-current assets	—	—
Current assets	1.2	1.2
Current liabilities	(1.4)	(1.0)
Non-current liabilities	—	—
Share of net (liabilities) / assets	(0.2)	0.2
Loan to joint venture	0.8	0.8
Impairment loss	(0.6)	(0.7)
Total investment in joint venture	—	0.3

Details of the reversal of the impairment loss of £0.1 million (2013: £nil) are included in note 10.

New Look Retail Group Limited
Notes to the Group financial statements (continued)

15. Investment in joint venture (continued)

	For the financial periods	
	52 weeks ended 29 March 2014	53 weeks ended 30 March 2013
	£m	£m
Share of the joint venture's result		
Revenue	4.5	5.2
Cost of sales	(4.1)	(4.6)
Administrative expenses	(0.8)	(0.9)
Loss before taxation	(0.4)	(0.3)
Taxation	—	—
Loss for the financial period	(0.4)	(0.3)

The share capital of the joint venture is 3,040,000 YTLs (being equivalent of £1,272,020 at a conversion rate of 2.39 YTLs to each Pound Sterling) divided into 121,600 shares of 25 YTLs each. New Look Retailers Limited and Global Tekstil Danismanlik Sanayi Ve Ticaret Limited Şirketi each own 60,800 shares in the company.

There is no recourse to Group companies in respect of the borrowings of the joint venture and there are no commitments or contingent liabilities at the year end.

16. Business combinations

On 14 February 2014, New Look Overseas Limited, a subsidiary of the Group, acquired 100% of the share capital of Cenzora Enterprises Limited, the Cypriot holding company of Polish company Fashion Look Sp. z o.o. from its former Franchise partner Empik Media & Fashion S.A. of Poland for provisional consideration of £0.3 million subject to final agreement of the purchase price in accordance with the agreed terms of the executed share purchase agreement.

As a result of the acquisition, the Group will continue to trade under the New Look brand and expand its presence in Poland.

The net exceptional gain arising from the acquisition of £2.5 million (note 10) is attributable to the indebtedness owing to the Group prior to acquisition.

The following table summarises the consideration paid for the companies, the provisional fair value of the assets acquired and liabilities assumed at the acquisition date:

	Provisional fair value as at 14 February 2014 £m
Consideration:	
Cash	0.3
Total consideration transferred	0.3

Recognised amounts of identifiable assets acquired and liabilities assumed:

Cash and cash equivalents	0.2
Property, plant & equipment (note 13)	3.2
Intangible assets (note 14)	0.1
Inventories	1.9
Trade and other receivables	—
Trade and other payables	(2.4)
Net deferred tax asset	0.5
Total identifiable net assets	3.5
Gain on acquisition	(3.2)
Total	0.3

Legal costs incurred relating directly to the acquisition of £0.4 million have been included in the calculation of the exceptional gain on acquisition of foreign subsidiary in note 10.

Inventories have been fair valued at the recommended retail price to the final customer in Poland and the difference between cost and the fair value will unwind through exceptional items as the inventories are sold. During the financial period, £0.3 million of the fair value adjustment had been released.

The revenue included in the Group's income statement since 14 February 2014 contributed by Fashion Look Sp z o.o. was £0.7 million and an operating loss of £0.1 million.

Had Cenzora Enterprises Limited and Fashion Look Sp. z o.o. been consolidated from the beginning of the financial period, the Group's income statement would include revenue of £7.4 million and operating losses of £1.3 million.

17. Available for sale financial assets

	As at	
	29 March 2014	30 March 2013
	£m	£m
Unlisted investments available for sale	0.3	0.3

The investments included above are investments in unlisted equity securities which are carried at cost being fair value at inception. The investments continue to be carried at cost since they do not have a quoted price in an active market nor a fair value which can be reliably measured. The investments have no maturity or coupon rate and are denominated in Euros.

There were no disposals or impairment provisions on available for sale financial assets in any of the periods.

18. Inventories

	As at	
	29 March 2014	30 March 2013
	£m	£m
Raw materials and work in progress	1.8	1.6
Finished goods	136.3	142.5
	138.1	144.1

Inventories with a value of £2.3 million (2013: £3.2 million) are carried at fair value less costs to sell, this being lower than cost. Cost of inventories recognised as an expense and any write downs of inventory are disclosed in note 7.

New Look Retail Group Limited
Notes to the Group financial statements (continued)

19. Trade and other receivables

	As at	
	29 March 2014	30 March 2013
	£m	£m
Current		
Trade receivables	16.9	14.6
Other receivables	8.1	11.0
Prepayments	36.4	40.4
Accrued income	3.2	1.8
	64.6	67.8
Non-current		
Other receivables	5.0	9.7
Prepayments	22.4	29.5
	27.4	39.2

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	As at	
	29 March 2014	30 March 2013
	£m	£m
Sterling	73.0	78.0
Euro	14.6	26.8
US dollar	1.2	0.7
Roubles	1.2	1.5
Renminbi	2.0	—
	92.0	107.0

Included within the trade and other receivables balance is a bad debt provision for £6.5 million (2013: £5.9 million). There was a bad debt charge in the income statement of £1.4 million (2013: £4.5 million).

An impairment loss of £9.5 million has been recognised to write down prepayments and other receivables of Mim resulting from the impairment review of Mim's net assets. See note 14 for more details.

As at 29 March 2014, trade and other receivables of £26.9 million (2013: £33.0 million) were fully performing.

As at 29 March 2014, trade and other receivables of £3.1 million (2013: £2.2 million) were past due but not classed as impaired.

The ageing analysis of these is as follows:

	As at	
	29 March 2014	30 March 2013
	£m	£m
Up to 2 months	0.9	0.1
2 to 6 months	2.2	2.1
	3.1	2.2

As at 29 March 2014, trade and other receivables of £6.5 million (2013: £6.0 million) were impaired and £6.5 million (2013: £5.9 million) were provided for. The ageing of these receivables is as follows:

	As at	
	29 March 2014	30 March 2013
	£m	£m
Up to 2 months	2.0	1.7
2 to 6 months	4.5	4.3
	6.5	6.0

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

	As at	
	29 March 2014	30 March 2013
	£m	£m
At start of period	5.9	3.6
Provisions for receivables impairment	1.4	4.5
Receivables written off during the period	(0.8)	(2.2)
	6.5	5.9

The creation and release of the provision for impaired receivables has been included in administrative expenses. Amounts charged to the bad debt provisions are generally written off when there is no expectation of recovering additional cash. Subsequent recoveries of amounts previously written off are credited against administrative expenses. The other classes within trade and other receivables do not contain impaired assets.

The Group maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

20. Derivative financial instrument assets

	As at	
	29 March 2014	30 March 2013
	£m	£m
Current assets		
Foreign currency contracts	0.1	17.5
Embedded foreign exchange derivatives	0.2	0.1
	0.3	17.6

Foreign currency contracts comprise forward contracts and options which are used to hedge exchange risk arising from the Group's overseas purchases. The instruments purchased are denominated in US dollars.

Foreign currency contracts are referred to within note 26.

Embedded foreign exchange derivatives arise within outstanding purchase orders, which are in currencies other than the functional currencies of the contracting parties.

21. Cash and cash equivalents

	As at	
	29 March 2014	30 March 2013
	£m	£m
Cash at bank and in hand	45.8	43.5
Short-term deposits	63.7	67.9
Blocked cash	1.6	2.2
	111.1	113.6

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods between one day and three months depending on the cash requirements of the Group, and earn interest at market short-term deposit rates. Blocked cash relates to amounts held as guarantees over leases in mainland Europe.

New Look Retail Group Limited
Notes to the Group financial statements (continued)

22. Trade and other payables

	As at	
	29 March 2014	30 March 2013
	£m	£m
Current		
Trade payables	100.6	105.3
Other taxation and social security	13.4	11.5
Other payables	1.3	2.5
Accruals	90.0	89.8
Interest accrual	21.9	0.4
Deferred income	26.7	36.7
Liability for cash settled share based payments	1.5	—
	255.4	246.2
Non-current		
Liability for cash settled share based payments	3.7	0.7
Other taxation and social security	0.1	0.3
Other payables	2.6	2.4
Deferred income	80.1	88.0
	86.5	91.4

Trade payables, other payables and accruals are non-interest bearing. Trade payables are normally settled on either 60 or 75 day terms. Included in accruals is £50.4 million (2013: £41.5 million) relating to inventory.

23. Financial liabilities

	As at	
	29 March 2014	30 March 2013
	£m	£m
Current		
Bank loans	—	59.5
	—	59.5
Non-current		
Bank loans	—	408.6
Bonds	779.6	—
PIK debt	377.3	741.5
	1,156.9	1,150.1

Further disclosure in respect of loans is provided in note 28.

24. Derivative financial instrument liabilities

	As at	
	29 March 2014	30 March 2013
	£m	£m
Current liabilities		
Foreign currency contracts	16.3	0.2
Interest rate swaps	—	2.4
Currency swaps	0.9	—
Embedded foreign exchange derivatives	—	0.8
	17.2	3.4
Non-current liabilities		
Currency swaps	11.8	—
Interest rate swaps	—	0.8
	11.8	0.8

Foreign currency contracts comprise forward contracts and options which are used to hedge exchange risk arising from the Group's overseas purchases. The instruments purchased are denominated in US dollars.

The interest rate swap agreements, currency swap agreements and foreign currency contracts are referred to within note 26.

Embedded foreign exchange derivatives arise within outstanding purchase orders, which are in currencies other than the functional currencies of the contracting parties.

25. Financial instruments

Fair values

The carrying values of each category of the Group's financial assets/liabilities in the Group's balance sheet, excluding short-term receivables and payables, are as follows:

	As at	
	29 March 2014	30 March 2013
	Carrying amount	Carrying amount
	£m	£m
Financial assets		
Cash and short term deposits	111.1	113.6
Available for sale financial assets	0.3	0.3
Foreign currency contracts	0.1	17.5
Embedded foreign exchange derivatives	0.2	0.1
Financial liabilities		
Bank loans	—	468.1
Bonds	779.6	—
PIK debt	377.3	741.5
Foreign currency contracts	16.3	0.2
Currency swaps	12.7	—
Interest rate swaps	—	3.2
Embedded foreign exchange derivatives	—	0.8

Using market prices, as at the balance sheet date, the fair value of the PIK debt was approximately £18.5 million higher (2013: £74.2 million lower) than the carrying value.

The Directors consider that the carrying amounts of all other financial instruments recorded in these financial statements is equal to or approximate to their fair value.

The fair values of derivatives have been calculated by discounting the expected future cash flows at prevailing interest rates and are based on market prices at the balance sheet date.

The total notional amount of outstanding foreign currency and interest rate contracts to which the Group was committed at the balance sheet date is as follows:

	As at	
	29 March 2014	30 March 2013
	£m	£m
Notional amount of outstanding foreign currency contracts	357.0	350.9
Notional amount of outstanding currency swaps	161.1	—
Notional amount of outstanding interest rate swaps	144.6	275.0

The foreign currency contracts have expiry terms of between 1 and 14 months (2013: 1 and 12 months). The interest rate swap contracts have expiry terms of between 3 and 15 months (2013: 1 and 20 months) and the interest rate swap contracts have been converted from the Euro notional amounts using the closing Euro rate of 1.210. The currency swap contracts have expiry terms of between 2 and 50 months and have Sterling notional amounts based on a swap contract US dollar rate of 1.552.

New Look Retail Group Limited
Notes to the Group financial statements (continued)

25. Financial instruments (continued)

Category

The accounting policies for financial instruments have been applied to the line items below:

	Loans and receivables	Assets at fair value through income statement	Derivatives used for hedging	Available for sale	Total
Assets per balance sheet	£m	£m	£m	£m	£m
At 29 March 2014					
Available for sale financial assets	—	—	—	0.3	0.3
Derivative financial instruments	—	0.2	0.1	—	0.3
Trade and other receivables (excluding prepayments)	33.2	—	—	—	33.2
Cash and short term deposits	111.1	—	—	—	111.1
	144.3	0.2	0.1	0.3	144.9

		Liabilities at fair value through income statement	Derivatives used for hedging	Other financial liabilities at amortised cost	Total
Liabilities per balance sheet		£m	£m	£m	£m
At 29 March 2014					
Borrowings		—	—	1,156.9	1,156.9
Derivative financial instruments		1.2	27.8	—	29.0
Trade and other payables (excluding deferred income)		—	—	235.1	235.1
		1.2	27.8	1,392.0	1,421.0

	Loans and receivables	Assets at fair value through income statement	Derivatives used for hedging	Available for sale	Total
Assets per balance sheet	£m	£m	£m	£m	£m
At 30 March 2013					
Available for sale financial assets	—	—	—	0.3	0.3
Derivative financial instruments	—	0.1	17.5	—	17.6
Trade and other receivables (excluding prepayments)	37.1	—	—	—	37.1
Cash and short term deposits	113.6	—	—	—	113.6
	150.7	0.1	17.5	0.3	168.6

	Liabilities at fair value through income statement	Derivatives used for hedging	Other financial liabilities at amortised cost	Total
	£m	£m	£m	£m
Liabilities per balance sheet				
At 30 March 2013				
Borrowings	—	—	1,209.6	1,209.6
Derivative financial instruments	0.8	3.4	—	4.2
Trade and other payables (excluding deferred income)	—	—	212.9	212.9
	0.8	3.4	1,422.5	1,426.7

The following table presents the Group's assets and liabilities that are measured at fair value at 29 March 2014:

	Level 1	Level 2	Level 3	Total
	£m	£m	£m	£m
Assets				
Foreign currency contracts	—	0.1	—	0.1
Embedded foreign exchange derivatives	—	0.2	—	0.2
Total assets	—	0.3	—	0.3
Liabilities				
Foreign currency contracts	—	16.3	—	16.3
Currency swaps	—	12.7	—	12.7
Total liabilities	—	29.0	—	29.0

The following table presents the Group's assets and liabilities that are measured at fair value at 30 March 2013:

	Level 1	Level 2	Level 3	Total
	£m	£m	£m	£m
Assets				
Foreign currency contracts	—	17.5	—	17.5
Interest rate swaps	—	—	—	—
Embedded foreign exchange derivatives	—	0.1	—	0.1
Total assets	—	17.6	—	17.6
Liabilities				
Foreign currency contracts	—	0.2	—	0.2
Interest rate swaps	—	3.2	—	3.2
Embedded foreign exchange derivatives	—	0.8	—	0.8
Total liabilities	—	4.2	—	4.2

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value. The fair value of currency swaps is calculated as the present value of the future cash flows based on observable yield curves and forward exchange rates at the balance sheet date.

New Look Retail Group Limited

Notes to the Group financial statements (continued)

25. Financial instruments (continued)

Credit quality

The credit quality of financial assets can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

	As at	
	29 March 2014	30 March 2013
	£m	£m
Trade Receivables		
Counterparties without external credit rating:		
Group 1	1.0	2.3
Group 2	0.6	0.3
Group 3	15.3	12.0
Total trade receivables	16.9	14.6

Group 1 – new customers (less than 6 months)

Group 2 – existing customers (more than 6 months) with no defaults in the past

Group 3 – existing customers (more than 6 months) with some defaults in the past

The Group limits its exposure to financial institutions by setting credit limits based on their credit ratings and generally only with counterparties with a Fitch's credit rating of at least 'A'. Group treasury monitors counterparty credit ratings closely, adjusting limits and balances immediately following counterparty downgrades. At 29 March 2014, the Group had £106.1 million of cash and cash equivalents (2013: £108.5 million) held with institutions rated 'A' or above, £3.9 million (2013: £3.4 million) held with institutions rated 'A-' and £1.1 million (2013: £1.7 million) held with institutions rated 'BBB', with a combined credit limit of £620.0 million (2013: £540.0 million).

The Group limits its exposure with its counterparties to derivative financial instruments by engaging with counterparties with a Fitch credit rating of 'A' or above. At 29 March 2014, the Group had derivative financial assets of £0.1 million (2013: £17.5 million) with counterparties rated 'A' or above.

Maturity

The table below analyses the Group's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	<1 year	1-2 years	2-5 years	5+ years
At 29 March 2014	£m	£m	£m	£m
Borrowings	—	—	1,156.9	—
Trade and other payables (excluding deferred income)	228.7	2.7	3.7	—

	<1 year	1-2 years	2-5 years	5+ years
At 30 March 2013	£m	£m	£m	£m
Borrowings	59.5	31.9	1,118.2	—
Derivative financial instruments	2.4	0.8	—	—
Trade and other payables (excluding deferred income)	209.5	3.4	—	—

The table below analyses the Group's derivative financial instruments which will be settled on a gross basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	<1 year	1-2 years	2-5 years	5+ years
At 29 March 2014	£m	£m	£m	£m
Forward foreign exchange contracts – cash flow hedges				
Outflow	361.7	15.1	—	—
Inflow	346.7	15.1	—	—
Currency swaps – cash flow hedges				
Outflow	14.0	14.0	196.2	—
Inflow	12.6	12.6	183.7	—
At 30 March 2013	£m	£m	£m	£m
Forward foreign exchange contracts – cash flow hedges				
Outflow	333.6	0.6	—	—
Inflow	350.4	0.7	—	—

Embedded foreign exchange derivatives

At 29 March 2014, the Group had embedded foreign exchange derivatives comprising outstanding purchase orders which are in currencies other than the functional currencies of the contracting parties. Exceptions to this are where a non-functional currency is commonly used in the country of a contracting party. The fair values of the embedded foreign exchange derivatives under IAS 39 are as follows:

	As at	
	29 March 2014	30 March 2013
	£m	£m
Fair value of embedded foreign exchange derivatives	0.2	(0.7)

26. Hedging activities

Foreign currency contracts

The Group uses derivatives in order to manage foreign currency exchange risk arising on expected future purchases of overseas sourced products. These derivatives comprise forward currency contracts and currency options, the terms of which have been negotiated to match the terms of the expected purchases.

The fair values of derivatives are as follows:

	As at	
	29 March 2014	30 March 2013
	£m	£m
Fair value of hedging instruments, qualifying for hedge accounting	(15.0)	17.3
Fair value of hedging instruments, not qualifying for hedge accounting	(1.2)	—
	(16.2)	17.3

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Notes to the Group financial statements (continued)

26. Hedging activities (continued)

Interest rate swaps

At 29 March 2014, the Group had entered into interest rate swap agreements of £144.6 million (2013: £275.0 million) as partial cash flow hedges of the interest rate risk associated with the drawn down loans of the Group of £144.6 million (2013: £1,209.6 million). The Group pays fixed rates on the swap agreements of between 0.236% to 0.305% (2013: 0.615% to 2.2475%). The interest rate swap expiry dates are between June 2014 and June 2015 (2013: June 2014 and December 2014).

The fair values of the interest rate swaps are as follows:

	As at	
	29 March 2014	30 March 2013
	£m	£m
Fair value of interest rate swaps, qualifying for hedge accounting	—	(3.2)
Fair value of interest swaps, not qualifying for hedge accounting	—	—
	—	(3.2)

Currency swaps

At 29 March 2014, the Group had entered into currency swap agreements of £161.1 million (2013: £nil) as cash flow hedges of the currency exchange risk associated with the Group's US dollar fixed rate notes of £161.1 million (2013: £nil). The Group pays fixed rates on the swap agreements of between 8.668% to 8.768% and the US dollar swap rate of 1.552. The currency swap expiry dates are May 2018. The fair values of the currency swaps are as follows:

	As at	
	29 March 2014	30 March 2013
	£m	£m
Fair value of currency swaps, qualifying for hedge accounting	(12.7)	—
Fair value of currency swaps, not qualifying for hedge accounting	—	—
	(12.7)	—

Movement in fair values

	Currency swaps	Foreign exchange contracts	Interest rate swaps	Embedded derivatives	Total
	£m	£m	£m	£m	£m
Fair value at 24 March 2012	—	4.4	(6.1)	0.5	(1.2)
Fair value loss through income statement	—	—	—	(1.2)	(1.2)
Fair value gain to reserves	—	12.9	2.9	—	15.8
Fair value at 30 March 2013	—	17.3	(3.2)	(0.7)	13.4
Fair value (loss) / gain through income statement - operating	(11.1)	(3.9)	—	0.9	(14.1)
Fair value (loss) / gain through income statement - finance	0.2	—	—	—	0.2
Fair value (loss) / gain to reserves	(1.8)	(29.6)	3.2	—	(28.2)
Fair value at 29 March 2014	(12.7)	(16.2)	—	0.2	(28.7)

The net fair value loss (2013: gain) to reserves comprises a net £12.6 million loss (2013: net £18.8 million gain) recognised in equity during the period offset by the recycling out of equity of a £15.6 million prior period gain on final settlement of contracts taken out in prior periods (2013: £3.0 million gain) included in operating loss during the financial period. The income statement includes an operating charge of £3.0 million relating to the marking to market of financial instruments not realised in the period and £0.2 million of amortisation of the difference between the spot and forward rate relating to the final exchange on cross currency swaps. The income statement includes £10.9 million of losses recognised within finance income resulting from the US dollar cross currency derivatives, accounted for as a cash flow hedge, recycled from reserves. The £3.9 million loss through the income statement relating to foreign exchange contracts includes £1.2 million relating to options not qualifying for hedge accounting and £2.7 million relating to maturing forward contracts during the period.

The ineffective portion recognised in the income statement that arises from cash flow hedges amounts to £nil (2013: £nil).

The embedded derivatives are referred to within note 25.

27. Analysis of net debt

	30 March 2013	Cashflow	Non-cash changes	29 March 2014
	£m	£m	£m	£m
Cash and cash equivalents	113.6	(1.2)	(1.3)	111.1
Bank loans	(468.1)	469.1	(1.0)	—
Bonds	—	(789.9)	10.3	(779.6)
PIK debt	(741.5)	411.6	(47.4)	(377.3)
Total net debt	(1,096.0)	89.6	(39.4)	(1,045.8)

Included in bank loans non-cash changes are £0.6 million deferred interest rolled over to the carrying value of the Mezzanine debt and £0.4 million loss on revaluation of Euro loan. Included in PIK debt non-cash changes is £47.4 million deferred interest rolled over to the carrying value of the PIK loan and cash changes includes £0.4 million of PIK interest paid as part of prepayment (note 9). Included in bonds non-cash changes are; £2.6 million amortisation of capitalised fees, £4.9 million of foreign exchange losses on forward contracts that were taken out to fix the Sterling cash receipts on the Euro and US dollar bonds, reduced by £17.8 million gain on revaluation of bonds.

	24 March 2012	Cashflow	Non-cash changes	30 March 2013
	£m	£m	£m	£m
Cash and cash equivalents	212.3	(99.7)	1.0	113.6
Bank loans	(585.8)	123.0	(5.3)	(468.1)
PIK debt	(717.1)	38.0	(62.4)	(741.5)
Total net debt	(1,090.6)	61.3	(66.7)	(1,096.0)

Included in non-cash changes are £4.8 million deferred interest rolled over to the carrying value of the Mezzanine debt, £71.5 million deferred interest rolled over to the carrying value of the PIK loan, £9.1 million gain on buyback of PIK debt below par and £0.5 million loss on Euro loan revaluations.

28. Interest rate risk and liquidity risk

On 4 July 2012, Trinitybrook Limited, a fully owned subsidiary in the Group executed an agreement with the Facility Agents HSBC and Unicredit Bank AG, London Branch which was supplemental to and amended the Senior Facility Agreement and the Mezzanine Facilities Agreement originally dated 24 May 2005 and subsequent amendments.

The executed agreement amended the Senior debt profile, with 5 new tranches (B4, B5, C4, C5 and D2) added to the existing 6 tranches and a reallocation of existing borrowings after a mandatory prepayment on the transaction date of £62.0 million.

The costs incurred by the Group to negotiate and execute the amend and extend agreements were £6.8 million (note 9).

Interest continued to be payable on the outstanding Sterling denominated tranche balances at the GBP Libor rate + cash margin + minimum liquid assets (MLA) rate. On Euro denominated tranches, interest was payable at Euribor + cash margin + MLA.

The PIK margin on the Mezzanine debt determined the amount of interest capitalised into the outstanding balance at each rollover date.

New Look Retail Group Limited
Notes to the Group financial statements (continued)

28. Interest rate risk and liquidity risk (continued)

The table below provides detail of the amended debt profile, the new tranches and the cash and PIK margins:

	Cash margin	PIK margin	Borrowings at 24 March 2012	Repayments 25 March 2012 to 3 July 2012	Capitalised interest 25 March 2012 to 3 July 2012	Translation of Euro borrowings	Reallocation of borrowings	Amended borrowings at 4 July 2012
	%	%	£m	£m	£m	£m	£m	£m
Tranche A†	1.75		8.3	(8.3)	—	—	—	—
Tranche A2†	1.75		3.5	(3.5)	—	—	—	—
Tranche B1	2.75		164.3	(20.3)	—	—	(91.2)	52.8
Tranche B2 (Euro) **	2.75		31.5	(1.3)	—	(1.4)	(21.6)	7.2
Tranche B3	2.75		22.8	(3.5)	—	—	(9.3)	10.0
Tranche B4	4.75		—	—	—	—	100.5	100.5
Tranche B5 (Euro) **	4.75		—	—	—	—	21.6	21.6
Tranche C1	3.25		164.3	(19.9)	—	—	(99.4)	45.0
Tranche C2 (Euro) **	3.25		31.5	(0.4)	—	(1.3)	(21.3)	8.5
Tranche C4	4.75		—	—	—	—	99.4	99.4
Tranche C5 (Euro) **	4.75		—	—	—	—	21.3	21.3
Tranche D1	5.00		80.0	(8.3)	—	—	(65.6)	6.1
Tranche D2	6.00		—	—	—	—	65.6	65.6
Mezzanine	4.50	6.50	79.6	(8.3)	1.2	—	—	72.5
			585.8	(73.8)	1.2	(2.7)	—	510.5

* The PIK margin on the Mezzanine debt increased from 5.50% to 6.50% as a result of the amend and extend transaction.

** The exchange rate for EUR/GBP as at 24 March 2012 was 1.196 and as at the transaction date was 1.248.

† The balance of Tranche A & A2 borrowings were prepaid voluntarily on 26 April 2012 and therefore not included in the amendments.

On 3 May 2013, New Look Retail Group Limited and its subsidiaries underwent a Group reorganisation and issued senior secured bonds. These bonds were issued on 14 May 2013. The finance raised was used to repay the existing debt under the Senior and Mezzanine Facility Agreements and to acquire 50% of the outstanding PIK debt in cash, with the remaining PIK debt being acquired for a new PIK instrument at par value.

The refinance included a restructure of the Group whereby Trinitybrook Limited sold its investment in Hamperwood Limited to New Look Finance Limited (a new intermediate holding company). New Look Finance Limited now holds the direct investment in Hamperwood. New Look Finance Limited also has a direct investment in New Look Finance II Plc and New Look Bondco I Plc.

New Look Bondco I Plc issued the senior secured bonds which are made up of three tranches of Sterling, US dollar and Euro. The Sterling and US dollar bonds are at fixed coupon rates and the Euro bond is at the prevailing floating rate of interest based upon short-term inter-bank rates (EURIBOR) plus a fixed margin.

New Look Finance Limited purchased 50% of the existing PIK debt in cash and New Look Finance II Plc then issued a new PIK instrument in settlement of the remaining PIK debt.

Total transaction costs incurred as part of the refinance were £25.2 million. £3.1 million of these costs were incurred during the financial period ended 30 March 2013 and were expensed in full. Those costs that are directly attributable to the issue of the bonds were capitalised against the value of the new borrowings and amortised as a finance expense over the maturity period of the debt. Those costs that relate to the extinguishment of the Senior, Mezzanine and PIK debts will be expensed in full (note 9).

The table below provides details of the new debt tranches and the cash and PIK margins:

	Cash margin	PIK margin	Borrowings as at 30 March 2013	Capitalised interest 31 March 2013 to 14 May 2013	Translation of Euro borrowings	Repayments & bond issue	Amended borrowings as at 14 May 2013
	%	%	£m	£m	£m	£m	£m
Senior - Tranche B1	2.75		25.3	—	—	(25.3)	—
Senior - Tranche B2 (Euro)*	2.75		3.6	—	0.1	(3.7)	—
Senior - Tranche B3	2.75		4.8	—	—	(4.8)	—
Senior - Tranche B4	4.75		96.4	—	—	(96.4)	—
Senior - Tranche B5 (Euro)*	4.75		21.8	—	0.2	(22.0)	—
Senior - Tranche C1	3.25		43.0	—	—	(43.0)	—
Senior - Tranche C2 (Euro)*	3.25		8.6	—	—	(8.6)	—
Senior - Tranche C4	4.75		95.3	—	—	(95.3)	—
Senior - Tranche C5 (Euro)*	4.75		21.5	—	0.1	(21.6)	—
Second Lien - Tranche D1	5.00		6.1	—	—	(6.1)	—
Second Lien - Tranche D2	6.00		65.6	—	—	(65.6)	—
Mezzanine Debt	4.50	6.50	76.1	0.6	—	(76.7)	—
PIK debt		9.00	741.5	4.9	—	(746.4)	—
New PIK debt		12.00	—	—	—	373.2	373.2
Senior bonds – Sterling	8.75		—	—	—	500.0	500.0
Senior bonds – US dollar**	8.375		—	—	—	164.1	164.1
Senior bonds - Euro*	6.25		—	—	—	148.7	148.7
			1,209.6	5.5	0.4	(29.5)	1,186.0

*The exchange rate for EUR/GBP as at 30 March 2013 was 1.8156 and 1.1771 as at the date of transaction.

**The exchange rate for USD/GBP was 1.5240 as at the date of transaction.

The Group entered into foreign currency contracts on 3 May 2013 to hedge the exchange risk arising between pricing the bonds on 3 May 2013 and settlement on 14 May 2013. The hedged rates were 1.1878 for the Euro bond and 1.5581 for the US dollar bond. The foreign currency contracts fixed the total cash proceeds received in Sterling at £807.9 million.

The senior bonds are repayable in full on 14 May 2018. An early repayment option exists after two years and is repayable at par plus 50% coupon up to 14 May 2016 and at par plus 25% coupon up to 14 May 2017. After four years the bonds are repayable at par.

Interest on the PIK is rolled into the carrying value of the debt although an option does exist to pay the PIK interest in cash. The PIK debt matures in full on 14 November 2018.

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Notes to the Group financial statements (continued)

28. Interest rate risk and liquidity risk (continued)

On 3 May 2013 the Group also entered into a re-negotiated revolving credit facility for £75.0 million which has a final termination date of 3 February 2018. The revolving credit facility is subject to quarterly covenant leverage reporting on an annualised basis beginning on the quarter ending 28 June 2014.

The following table sets out the carrying amount, by maturity, of the Group's financial instruments that are exposed to interest rate risk:

Period ended 29 March 2014

Floating rate

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
	£m	£m	£m	£m	£m	£m	£m
Cash Assets	111.1	—	—	—	—	—	111.1
Bond - Euro	—	—	—	—	(144.6)	—	(144.6)
	111.1	—	—	—	(144.6)	—	(33.5)

The following table sets out the carrying amount, by maturity, of the Group's financial instruments that are at fixed rates and therefore not exposed to interest rate risk:

Fixed rate

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
	£m	£m	£m	£m	£m	£m	£m
Bond – Sterling	—	—	—	—	(500.0)	—	(500.0)
Bond – US dollar	—	—	—	—	(150.3)	—	(150.3)
PIK debt	—	—	—	—	(377.3)	—	(377.3)
	—	—	—	—	(1,027.6)	—	(1,027.6)

Period ended 30 March 2013

Floating rate

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
	£m	£m	£m	£m	£m	£m	£m
Cash Assets	113.6	—	—	—	—	—	113.6
Senior term debt – Tranche B1	(25.3)	—	—	—	—	—	(25.3)
Senior term debt – Tranche B2	(3.6)	—	—	—	—	—	(3.6)
Senior term debt – Tranche B3	(4.8)	—	—	—	—	—	(4.8)
Senior term debt – Tranche B4	—	—	(96.4)	—	—	—	(96.4)
Senior term debt – Tranche B5	—	—	(21.8)	—	—	—	(21.8)
Senior term debt – Tranche C1	(21.5)	(21.5)	—	—	—	—	(43.0)
Senior term debt – Tranche C2	(4.3)	(4.3)	—	—	—	—	(8.6)
Senior term debt – Tranche C4	—	—	(95.3)	—	—	—	(95.3)
Senior term debt – Tranche C5	—	—	(21.5)	—	—	—	(21.5)
Senior term debt – Tranche D1	—	(6.1)	—	—	—	—	(6.1)
Senior term debt – Tranche D2	—	—	(65.6)	—	—	—	(65.6)
Mezzanine debt	—	—	(76.1)	—	—	—	(76.1)
PIK debt	—	—	(741.5)	—	—	—	(741.5)
	54.1	(31.9)	(1,118.2)	—	—	—	(1,096.0)

Interest on financial instruments classified as floating rate is re-priced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument.

Senior term debt tranches B2, B5, C2 & C5 were denominated in Euros and converted at the date of settlement at 1.177 (2013: balance sheet date at 1.186).

The closing balances of the Euro and US dollar bonds were converted at rates of 1.210 and 1.664 respectively.

Interest bearing loans and borrowings

Borrowings under the mezzanine debt, senior term debt and the available ancillary facilities were at the prevailing floating rates of interest based upon short-term inter-bank rates (GBP LIBOR and EURIBOR for the interest period selected at the Group's discretion). Commitment fees were payable in respect of the undrawn amount of committed facilities.

The senior term debt, mezzanine debt and PIK loan were subject to quarterly covenant reporting.

Margins over Sterling LIBOR and Euro EURIBOR, applying to the senior term debt on all B tranches and C tranches were fixed and ranged from 2.75% to 4.75%. The margin applying to Second Lien tranche D debt ranged from 5.0% to 6.0%. The margin that applied to senior term debt tranche A was subject to a ratchet mechanism whereby it varied from 1.5% to 2.25% subject to the financial performance of the Group. The margin applying to the mezzanine debt was fixed at 11.0% of which 4.5% was settled in cash and 6.5% was capitalised at the end of each interest period. The margin applying to the old PIK debt was 9.0% subject to a margin adjustment linked to the consolidated EBITDA of Trinitybrook Limited and its subsidiaries.

During the financial period ended 30 March 2013, the Group had the ability to repay part of the PIK debt held by Pedalgreen Limited based on a covenant leverage test. Where, as at a reporting period end, the consolidated total net borrowings of the Group divided by the covenant LTM EBITDA of the Group was less than two and continued to remain less than two for 12 months from that reporting period end. Pedalgreen Limited could then pay down an amount of the PIK debt up to a limit of £25.0 million in the first year and then within the available excess cash PIK basket thereafter.

The PIK basket mechanism of buying back the PIK started at £25.0 million at the date of the transaction and continued to build using 50% of retained excess cash flow, calculated on a quarterly basis in line with filing of covenant compliance certificates.

In November 2012, December 2012 and February 2013, the Group achieved the leverage test to enable three PIK debt buy back and cancellations. NL Bowline Limited, a wholly owned subsidiary of Pedalgreen Limited, was incorporated as a special purpose vehicle to facilitate the buy back. £47.1 million of PIK debt was repurchased for consideration of £38.0 million resulting in a gain on cancellation of £9.1 million (note 9).

Borrowing facilities

At 29 March 2014, the Group had the following undrawn committed facilities available:

	As at	
	29 March 2014	30 March 2013
	£m	£m
Expiring within one year	5.0	5.0
Expiring in more than one year	75.0	10.8

The facilities expiring within one year are annual facilities subject to an annual review. All facilities incur commitment fees at market rates and would provide funding at floating rates. £5.0 million (2013: £5.0 million) expires within one year and is an undrawn annual facility subject to an annual review.

£75.0 million is an undrawn committed multi-currency revolving credit facility and matures in more than one year (2013: £10.8 million). The Group's subsidiaries are party to a cross guarantee on the revolving credit facility.

In addition, the Group has arrangements in place with certain banks to provide standby letters of credit to the Group's suppliers. Letters of credit of £45.6 million (2013: £48.1 million) were outstanding under these arrangements.

The Group's management of interest rate risk, credit and market risk is explained in note 3.

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Notes to the Group financial statements (continued)

29. Provisions

	Onerous Lease provisions	Dilapidations provisions	Total
	£m	£m	£m
At 24 March 2012	18.4	0.8	19.2
Arising during the period	6.3	0.1	6.4
Utilised	(3.7)	(0.4)	(4.1)
Reversal of unused amounts	(6.1)	—	(6.1)
Exchange difference	0.1	—	0.1
At 30 March 2013	15.0	0.5	15.5
Arising during the period	7.7	—	7.7
Utilised	(3.0)	(0.1)	(3.1)
Reversal of unused amounts	(5.3)	—	(5.3)
At 29 March 2014	14.4	0.4	14.8

	As at	
	29 March 2014	30 March 2013
	£m	£m
Current	4.4	5.7
Non-current	10.4	9.8
	14.8	15.5

Onerous lease provisions

The provision relates to future lease costs of vacant properties for the remaining period of the lease, net of expected sub-letting income, which is estimated to be used over one to 24 months, and a provision for onerous lease contracts on loss making stores. A provision is booked on loss making stores where the discounted future cash flows are not expected to cover future rental payments under the lease contract. A provision is made for the lower of: discounted store cash outflows (including rental payments) and discounted rental payments. Future operating losses are not provided for.

Dilapidations provisions

The dilapidations provision of £0.4 million (2013: £0.5 million) is expected to be utilised over one to 12 months.

30. Operating lease commitments

Future minimum rentals payable under non-cancellable operating leases where the Group is the lessee:

	As at	
	29 March 2014	30 March 2013
	£m	£m
Not later than one year	176.5	175.6
Later than one year and not later than five years	611.0	577.1
Later than five years	542.7	607.2
	1,330.2	1,359.9

The Group has entered into operating leases in respect of warehouses, offices and retail stores. Contingent rentals are payable on certain retail store leases based on store revenues.

At the balance sheet date, total future payments expected to be received under non-cancellable sub-leases were £3.9 million (2013: £3.6 million).

31. Share based payments

Senior Management Scheme

In April 2004, the senior management of the Group were invited to invest in the shares of the three Guernsey companies which comprised the holding companies of Trinitybrook Limited (the ultimate holding company of the Group at that time), being NL Company No. 1 Limited, NL Company No. 2 Limited and NL Company No. 3 Limited. These shares were purchased at fair value.

As part of the Group reorganisation and share for share exchange in June 2006, the shares held by employees in the three Guernsey companies, NL Company No. 1 Limited, NL Company No. 2 Limited, and NL Company No. 3 Limited and the ESOP1 holding in Trinitybrook Limited were exchanged for shares in New Look Retail Group Limited.

All of the shares held were originally issued at fair value determined by reference to the market value of a basket of comparator companies. Under the reorganisation a cash payment of £48.0 million was paid by Pedalgreen Limited (an immediate subsidiary company of New Look Retail Group Limited) to investors within the scope of IFRS 2, in consideration for the sale of a proportion of the shares in Guernsey 4 Limited (the holding company of the Group prior to the reorganisation in 2006) and the remaining shares were exchanged for shares in Pedalgreen Limited. Guernsey 4 Limited acquired its holding in the Group on 1 June 2006 by acquiring all the shares in NL Company No. 1 Limited, NL Company No. 2 Limited and NL Company No. 3 Limited. There was then a share for share exchange as part of which shares in Pedalgreen Limited were exchanged for shares in New Look Retail Group Limited. Accordingly the reorganisation was accounted for as a modification of an equity-settled arrangement under IFRS 2. The £48.0 million was charged directly to the retained earnings reserve.

	As at	
	29 March 2014 Number	30 March 2013 Number
	000s	000s
Shares in issue at the beginning of the period	34,432	40,432
Shares purchased by ESOP from senior management in the period	(12,895)	(6,000)
Shares in issue at the end of the period	21,537	34,432

The 2004 Share Scheme and the 2008 Share Plan

In May 2004, under a new arrangement, Trinitybrook Limited loaned funds to ESOP1. ESOP1 then subscribed to Trinitybrook Limited to acquire a fixed allocation of shares. Between May 2004 and February 2006, certain employees were invited to acquire beneficial ownership of these shares at fair value determined by reference to the market value of a basket of comparator companies. As a result of the Group reorganisation in 2006, employees now hold the beneficial interest in shares in New Look Retail Group Limited.

In April 2009, August 2009, August 2011, September 2012, February 2013, September 2013 and December 2013 certain employees were invited to acquire the beneficial interest in shares owned by ESOP1 at fair value determined by reference to the market value of a basket of comparator companies (the 2008 Share Plan).

These shares vest over a 4-year period. Under the first tranche, 20.0% vested on 30 April 2009, then 20.0% on 18 September 2009 and 20.0% on each anniversary of 18 September until the third anniversary. Under the second tranche, 20.0% vested on 21 August 2009 and 20.0% on each anniversary from the grant date until the fourth anniversary. Under the third tranche, 20.0% vested on 25 August 2011, 20.0% vested on 1 May 2012 and 20.0% on each anniversary of 1 May until the third anniversary. Under the fourth tranche, 20.0% vested on 18 September 2012 and 20.0% on each anniversary from the grant date until the fourth anniversary. Under the fifth tranche, 20.0% vested on 18 February 2013 and 20.0% on each anniversary from the grant date until the fourth anniversary. Under the sixth tranche, 20% vested on 1 September 2013 and 20% on each anniversary from the grant date until the fourth anniversary. Under the seventh tranche, 20.0% vested on 20 December 2013 and 20.0% on each anniversary from the grant date until the fourth anniversary.

New Look Retail Group Limited

Notes to the Group financial statements (continued)

31. Share based payments (continued)

Vesting affects the price at which the employee may be required to sell any shares which have not vested upon ceasing to be employed within the Group. The employee is generally not free to sell the shares until either a change in control of the Group or (subject to the vesting conditions) a listing.

The Group has issued shares to ESOP2 for the purposes of meeting the liabilities in respect of phantom options under the Phantom Plan granted to certain employees in France.

Under the 2008 Share Plan, shares have vested at various times throughout the year. The weighted average share price at vesting for all grants throughout the period was 8.0p (2013: 1.0p).

Until June 2007, the 2004 Share Scheme operated as an equity settled arrangement under which employees could be required to sell their shares in the event of a sale or listing of the Group. In June 2007, an amendment was introduced such that, in the event of a sale, the employees would be required to sell their shares but, in the event of a listing of the Group, they would remain entitled to their shares. The 2008 Share Plan contains similar features. The 2008 Share Plan also protects the employee from a fall in the value of New Look Retail Group Limited's shares. The 2008 Share Plan is therefore accounted for, in substance, as a share option arrangement.

Details of the 2008 Share Plan share options outstanding during the period are as follows:

	March 2013 – March 2014 Number of share options	March 2012 – March 2013 Number of share options
	000s	000s
Outstanding at the beginning of the period	92,099	32,719
Granted in the period	8,900	64,321
Exercised in the period	—	—
Lapsed in the period	—	—
Forfeited in the period	(36,434)	(4,941)
Outstanding at the end of the period	64,565	92,099
Exercisable at the end of the period	—	—
Weighted average remaining contractual life (months)	26 months	36 months
Weighted average share price at the date of exercise (pence)	—	—
Weighted average exercise price (pence)	4.0p	4.0p
Market value at period end (pence)	12.0p	1.0p
Highest market value (pence)	12.0p	1.0p
Lowest market value (pence)	1.0p	1.0p

2006 Option Plan

In June 2006 and other times subsequently, key personnel in the Group were offered the opportunity to participate in the 2006 Option Plan. Share options are awarded to employees at the discretion of the Board. Options will normally vest after two years if an employee remains in service. Options will only vest before the two years continuous service when there has been a flotation or change of control in New Look Retail Group Limited (or its holding company), or when the employee leaves the Group as a result of redundancy, injury/illness/disability or death.

Options may normally only be exercised during a period of eight years commencing on the second anniversary of the date of grant of the option, as long as the employee remains in service. At 29 March 2014, 1,545,000 (2013: 1,882,105) options were outstanding, with the earliest exercise date being 30 June 2008, assuming that the full vesting period is satisfied.

Details of the 2006 Option Plan share options outstanding during the period are as follows:

	March 2013 – March 2014 Number of share options	March 2012 – March 2013 Number of share options
	000s	000s
Outstanding at the beginning of the period	1,882	2,612
Granted in the period	—	—
Exercised in the period	—	—
Lapsed in the period	—	—
Forfeited in the period	(337)	(730)
Outstanding at the end of the period	1,545	1,882
Exercisable at the end of the period	1,545	1,882
Weighted average remaining contractual life (months)	30 months	43 months
Weighted average share price at the date of exercise (pence)	0.0p	1.0p
Weighted average exercise price (pence)	13.0p	14.0p
Market value at period end (pence)	12.0p	1.0p
Highest market value (pence)	12.0p	1.0p
Lowest market value (pence)	1.0p	1.0p

Fair value of equity settled share based payment schemes

The cost of the equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted and the expense is spread to the estimated date of a change of control of the Group.

As the employees acquired the beneficial interest in their shares at fair value under the Senior Management Scheme and the 2004 Share Scheme, there is no charge to the income statement for these equity settled transactions.

The weighted average fair value of the share options granted under the 2006 Option Plan and the 2008 Share Plan was calculated at the date of grant using the Black-Scholes option pricing model. The following table lists the inputs to the model used for the two plans for the periods ended 29 March 2014 and 30 March 2013:

	29 March 2014 2006 Option Plan	29 March 2014 2008 Share Plan	30 March 2013 2006 Option Plan	30 March 2013 2008 Share Plan
Weighted average fair value (pence)	—	1.93	16.22	1.70
Weighted average share price (pence)	—	4.42	38.00	3.72
Exercise price (pence)	—	1.00 to 25.00	38.00	1.00 to 25.00
Expected volatility (%)	—	31.50 to 44.10	36.20	35.50 to 45.70
Expected life of option (years)	—	2.30 to 6.92	6.10	3.00 to 6.92
Dividend yield (%)	—	0.00 to 2.00	0.00	0.00 to 2.00
Risk-free interest rate (%)	—	1.00 to 4.00	4.00	1.75 to 4.00

Expected share price volatility was determined through the assessment of the historical volatility of a comparable group of companies over a period consistent with the expected life of the award. It is indicative of future trends, which may not necessarily be the actual outcome. The expected life of the options is based on management's estimated date of a change of control of the Group and is not necessarily indicative of exercise patterns that may occur.

New Look Retail Group Limited

Notes to the Group financial statements (continued)

31. Share based payments (continued)

The table below reconciles the total number of unallocated shares controlled by the ESOPs for all share schemes operated by the Group for each period end.

	As at	
	29 March 2014	30 March 2013
	Number 000s	Number 000s
Shares controlled by the ESOPs at the beginning of the period	23,682	74,672
Shares allocated under 2006 Option Plan	—	—
Shares allocated under 2008 Share Plan	(8,900)	(64,321)
Share options exercised in 2006 Option Plan	—	—
Shares repurchased from 2006 Option Plan	337	730
Shares purchased from Senior Management Scheme	12,895	6,000
Shares purchased by the ESOPs in the period	37,378	6,601
Shares controlled by the ESOPs at the end of the period	65,392	23,682

Effect on financial statements

Share based payments also include a cash settled element for 'Good Leavers'. The income statement is charged with the change in fair value relating to the estimate at the balance sheet date of the number of 'Good Leavers' likely to arise before any change in control of the Group.

The effect of accounting for share based payments, in accordance with IFRS 2, on the Group's loss before taxation (2013: profit) for the periods is as follows:

	For the financial periods	
	52 weeks ended 29 March 2014	53 weeks ended 30 March 2013
	£m	£m
Equity settled share based payment schemes	(0.1)	0.1
Cash settled share based payment schemes	6.4	(0.3)
Total share based payment expense / (credit)	6.3	(0.2)

32. Share capital

	Share capital	Share premium	Treasury shares	Total
	£m	£m	£m	£m
At 24 March 2012	10.4	0.6	(22.1)	(11.1)
Shares disposed of in the period	—	—	0.2	0.2
At 30 March 2013	10.4	0.6	(21.9)	(10.9)
Shares purchased in the period	—	—	(1.4)	(1.4)
At 29 March 2014	10.4	0.6	(23.3)	(12.3)

The total number of authorised Ordinary A shares is 200.0 million each period end and the total number of Ordinary B shares is 1,000.0 million each period end. All shares have a par value of 1.0p.

The total number of allotted, called up and fully paid Ordinary A shares is 157.6 million and the total number of allotted, called up and fully paid Ordinary B shares is 879.1 million at each period end. All shares have a par value of 1.0p.

The consideration paid for the ordinary shares of 1.0p each in the Company held by the ESOPs has been shown as a deduction in capital and reserves as treasury shares.

The A shares in the Company entitle holders to receive notice, attend and speak at general meetings but only confer a right to vote if no B shares are in issue. The shares also have a right to receive a dividend.

The B shares in the Company entitle holders to receive notice, attend, speak and vote at general meetings. The shares also have a right to receive a dividend.

33. Reconciliation of movements in equity

	Reverse acquisition reserve	ESOPs reserve	Hedging reserve	Translation reserve	Accumulated losses	Total
	£m	£m	£m	£m	£m	£m
At 24 March 2012	(285.3)	0.7	(4.1)	9.6	(39.6)	(318.7)
Total comprehensive income and expense for the period	—	—	15.8	0.9	3.4	20.1
Tax on total comprehensive income and expense for the period	—	—	(3.9)	(0.1)	—	(4.0)
Share based payment charge	—	—	—	—	0.1	0.1
Actuarial loss on post-employment benefit obligations	—	—	—	—	(0.5)	(0.5)
At 30 March 2013	(285.3)	0.7	7.8	10.4	(36.6)	(303.0)
Total comprehensive income and expense for the period	—	—	(28.2)	(2.4)	(53.6)	(84.2)
Tax on total comprehensive income and expense for the period	—	—	6.6	0.3	—	6.9
Purchase of treasury shares (note 32)	—	—	—	—	1.4	1.4
Share based payment charge	—	—	—	—	(0.1)	(0.1)
At 29 March 2014	(285.3)	0.7	(13.8)	8.3	(88.9)	(379.0)

Reverse acquisition reserve

The reverse acquisition reserve arose on the acquisition by New Look Retail Group Limited in 2006 of the former Trinitybrook Limited Group, as permitted by IFRS 3 Business Combinations and represents the amount paid by New Look Retail Group Limited to acquire the existing shareholdings in Trinitybrook Limited.

ESOPs reserve

The ESOPs reserve represents the gain made by the trusts on the transfer of shares to employees at a higher price than purchased.

Hedging reserve

The hedging reserve reflects the changes in fair value of effective hedging instruments on forward exchange contracts which are carried forward to match the maturity of the future cash flows.

Translation reserve

The translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

34. Shares held by ESOPs

The ESOPs have an independent professional trustee resident in Guernsey and provide for the allocation of shares to Group employees, at the discretion of the trustee.

At 29 March 2014, the ESOPs held 115,809,649 (2013: 102,914,649) Ordinary A shares of 1.0p each in New Look Retail Group Limited and 323,408 (2013: 323,408) Ordinary B shares of 1.0p each in New Look Retail Group Limited.

The initial consideration paid for ordinary shares in New Look Retail Group Limited held by the ESOPs has been shown as a deduction in capital and reserves as treasury shares. All other assets, liabilities, income and costs of the ESOPs have been incorporated into the financial statements of the Group.

New Look Retail Group Limited

Notes to the Group financial statements (continued)

35. Retirement benefit schemes

The Group operates a defined contribution scheme in the UK. At 29 March 2014 £nil (2013: £0.2 million) was outstanding in respect of contributions payable to personal pension schemes. The pension cost recognised in the income statement was £1.7 million (2013: £1.2 million).

In France, the Group operates an unfunded defined benefit arrangement in accordance with French legal requirements which consists of a single payment at the date of retirement. The scheme is uninsured and has no assets. An actuarial assessment was carried out as at 31 March 2013 by an independent actuary, using the projected unit method. The major assumptions were:

	As at	
	29 March 2014	30 March 2013
	%	%
Rate of increase in salaries	2.5 – 3.0	2.5 – 3.0
Discount rate	2.75	2.75
Price inflation	2.0	2.0

The liability at 29 March 2014 was £2.0 million (2013: £1.7 million), which is included in accruals. The pension cost recognised in the income statement was £1.1 million (2013: £1.0 million). During the financial period ended 29 March 2014, a charge of £nil (2013: £0.5 million) was recognised in other comprehensive income in relation to actuarial losses on post employment benefit obligations.

36. Related party transactions

ESOPs

At the end of the financial period, the ESOPs owed New Look Retail Group Limited £24.6 million (2013: £25.1 million).

Franchise Agreement

On 1 February 2012, the Group agreed a five year franchise agreement with RNA Resources Group Limited ("RNA"), a subsidiary of the Landmark Group International ("Landmark"), in which Mukesh Wadhmal Jagtiani and his wife, Renuka Mukesh Jagtiani own shares. Mukesh Jagtiani also owns 29,737,833 Ordinary B shares (2013: 29,737,833) in the Company in the name of Quilliam Investments Corporation.

The agreement relates to the continued opening of new stores under the New Look brand in the Middle East.

In February 2012, the Group received a fee of £1.8 million in return for granting exclusivity to the New Look brand in the Middle East. In addition, the Group receives a royalty for the supply of goods based on a percentage of sales made by the franchisee.

Amortisation of the territory fee over the term of the agreement of £0.4 million (2013: £0.4 million) has been recognised through the income statement in the current financial period.

Transactions with franchisee

	For the financial periods	
	52 weeks ended 29 March 2014	53 weeks ended 30 March 2013
	£m	£m
Sale of goods and handling charges	28.0	30.1
Franchise royalty income	0.4	0.4

	As at	
	29 March 2014	30 March 2013
	£m	£m
Balance due from franchisee at the end of the financial period	4.2	3.0

Included within the balance due from franchisee is a provision of £nil (2013: £nil).

	As at	
	29 March 2014	30 March 2013
	£m	£m
Investment in PIK loan	44.2	87.4

On 14 May 2013, as part of the Group's reorganisation and refinancing, 50% of the PIK loan was settled in cash and the remaining 50% rolled into a new PIK loan. Up to the date of the refinancing, £1.2 million of interest was rolled up into the PIK and £44.3 million was disposed of by the franchisee. Following the refinancing, £4.5 million of interest was rolled up into the balance of the new PIK loan and £4.6 million was disposed of on 24 March 2014. In the financial period ended 30 March 2013, £8.0 million of interest was rolled up into the balance of the PIK. £nil (2013: £nil) of additional new PIK loan was purchased by the franchisee.

For further details of the refinancing transaction see note 28.

Transactions with Director and key management

As at 29 March 2014, there were loans outstanding with one key manager (2013: one), totalling £0.5 million (2013: £0.5 million) in connection with their purchase of the beneficial interest in shares under the 2008 Share Plan (note 31). Interest on the 2008 Share Plan loan is charged at the applicable HMRC rate and is repayable in full on exercise of shares and change in control of the business. In addition, under the 2008 Share Plan, one key manager acquired beneficial ownership of shares on 20 December 2013 by way of a loan from New Look Retail Group Limited.

In the prior financial period under the 2008 Share Plan, T Singh acquired beneficial ownership of shares on both 18 September 2012 and 18 February 2013 by way of a cash payment to New Look Retail Group Limited, A McGeorge acquired beneficial ownership of shares on both 25 August 2011 and 18 September 2012 by way of a loan from New Look Retail Group Limited and A Kristiansen acquired beneficial ownership of shares on 18 February 2013 by way of a loan from New Look Retail Group Limited.

As at 29 March 2014, the total of loans outstanding with Directors was £0.4 million (2013: £0.4 million), which are repayable in full on sale of the shares and change of control of the business. Interest is charged on these loans at the applicable HMRC rate.

The following transactions have occurred between the Group and Directors and key management:

	As at	
	29 March 2014	30 March 2013
	£m	£m
Investment in PIK loan	—	7.1

New Look Retail Group Limited

Notes to the Group financial statements (continued)

36. Related party transactions (continued)

In June 2006 certain Directors and key management used funds received from the sale of part of their existing shareholdings to reinvest £12.7 million in the PIK loan.

On 14 May 2013, as part of the Group's reorganisation and refinancing, 50% of the PIK loan was settled in cash and the remaining 50% rolled into a new PIK loan. Up to the date of the refinancing, £0.1 million (2013: £0.6 million) of interest was rolled up into the PIK and £3.6 million was disposed of by Directors.

On 23 August 2013, £3.6 million of the new PIK loan was disposed of by Directors and key management. £nil (2013: £nil) of additional PIK loan was purchased by Directors and key management.

For further details of the refinancing transaction see note 28.

During the period a monitoring fee of £0.2 million (2013: £0.1 million) was payable to Rianta Capital Limited, an advisory company owned by T Singh's Family Trust.

Transactions with private equity investors

A monitoring fee was paid to each private equity investor during the period, details of which can be found in note 8b.

	As at	
	29 March 2014	30 March 2013
	£m	£m
Investment in PIK loan	—	108.4

On 14 May 2013, as part of the Group's reorganisation and refinancing, 50% of the PIK loan was settled in cash and the remaining 50% rolled into a new PIK loan. Up to the date of the refinancing, £0.8 million (2013: £12.6 million) of interest was rolled up into the PIK and £54.6 million (2013: £29.0 million) was disposed of by entities advised by a private equity investor. On 1 October 2013, £55.0 million of the new PIK loan was disposed of which included £0.4 million of additional rolled up interest. £nil (2013: £nil) of additional new PIK loan was purchased during the financial period.

For further details of the refinancing transaction see note 28.

Transactions with joint venture

	For the financial periods	
	52 weeks ended 29 March 2014	53 weeks ended 30 March 2013
	£m	£m
Purchases from joint venture	9.0	10.4

Included within the trade receivables is a balance of £nil (2013: £nil) owed by the joint venture.

Included within trade payables is a balance of £1.5 million (2013: £nil) owed to the joint venture.

No other transactions that require disclosure under IAS 24 have occurred during the current financial period.

37. Investment in subsidiaries

The principal subsidiary companies in which New Look Retail Group Limited or its subsidiaries hold 100% of the ordinary shares and voting rights are listed below. These companies are consolidated into the financial results of the Group.

Subsidiary	Country of incorporation and operation	Country of incorporation and operation
Pedalgreen Limited ⁽¹⁾	England and Wales	Intermediate holding company
New Look Finance Limited	England and Wales	Intermediate holding company
New Look Finance II Plc	England and Wales	Intermediate holding company
New Look Bondco I Plc	England and Wales	Intermediate holding company
Trinitybrook Limited	England and Wales	Intermediate holding company
Hamperwood Limited	England and Wales	Intermediate holding company
New Look Group Limited	England and Wales	Intermediate holding company
New Look Limited	England and Wales	Intermediate holding company
New Look Retailers Limited	England and Wales	Fashion retail
Geometry Properties Limited	England and Wales	Property holding and rental
New Look Overseas Limited	England and Wales	Intermediate holding company
New Look Retailers (CI) Limited	Guernsey	Fashion retail
New Look Holdings (France) SAS	France	Intermediate holding company
Mim SAS	France	Fashion retail
SCI Geometry Properties France	France	Property holding and rental
New Look France SAS	France	Fashion retail
New Look Belgium SA	Belgium	Fashion retail
MIM Belgique	Belgium	Fashion retail
New Look Holland BV	Holland	Fashion retail
New Look (Singapore) PTE Limited	Singapore	Logistics and freight management
New Look Retailers (Ireland) Limited	Republic of Ireland	Fashion retail
New Look (Germany) GmbH	Germany	Fashion retail
Fashion Look Sp. z o.o.	Poland	Fashion retail
Cenzora Enterprises Limited	Cyprus	Intermediate holding company
New Look Commerce (Shanghai) Co. Limited	People's Republic of China	Fashion retail

Note:

1. Pedalgreen Limited shareholding held directly whilst all others held indirectly through wholly owned subsidiaries.

During the financial period ended 29 March 2014, NL Bowline Limited, NL Company No. 1 Limited, NL Company No. 2 Limited, NL Company No.3 Limited and Guernsey 4 Limited were placed in liquidation and were struck off.

A full list of subsidiary undertakings as at 29 March 2014 will be annexed to New Look Retail Group Limited's next annual return.

In addition, the Group has a 50% stake in the ordinary share capital of NLT Tekstil Sanayi Ve Ticaret Limited Şirketi, a joint venture incorporated in Turkey, whose principal trading activity is retail manufacturing.

38. Events after the reporting period

As permitted under the PIK facility agreement dated 14 May 2013, New Look Finance II Plc gave notice to debt investors on 23 April 2014 that the Group intends to prepay an amount of the new PIK debt equal to a principal amount of £37.6 million plus accrued interest of £1.2 million and a redemption premium of £1.2 million. The prepayment is due to be settled on 27 May 2014.

39. Ultimate controlling party

New Look Retail Group Limited is the ultimate parent of the Group. Apax Funds own 27.7% and Permira Funds own 27.6% of the total issued share capital. Copies of the financial statements can be obtained from New Look House, Mercery Road, Weymouth, Dorset.

Independent auditors' report to the members of New Look Retail Group Limited

Report on the parent company financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the parent company's affairs as at 29 March 2014;
- 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The parent company financial statements (the "financial statements"), which are prepared by New Look Retail Group Limited, comprise:

- Company balance sheet as at 29 March 2014; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the parent company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report & Accounts (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 67, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

Other matter

We have reported separately on the Group financial statements of New Look Retail Group Limited for the 52 week period ended 29 March 2014.



Alan Kinnear (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton

23 May 2014

(a) The maintenance and integrity of the New Look Retail Group Limited website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

New Look Retail Group Limited

Company balance sheet

		As at	
		29 March 2014	30 March 2013
	Notes	£m	£m
Fixed assets			
Investments	5	40.5	34.3
Current assets			
Other debtors (including £2.9 million (2013: £3.4 million) due after one year		2.9	3.4
Cash at bank and in hand		0.4	0.3
Current liabilities			
Creditors: Amounts falling due within one year	6	(29.7)	(28.9)
Net current liabilities		(26.4)	(25.2)
Total assets less current liabilities		14.1	9.1
Creditors: Amounts falling due after more than one year	7	(6.3)	(3.4)
Net assets		7.8	5.7
Capital and reserves			
Called up share capital	9	10.4	10.4
Share premium account	10	0.6	0.6
Treasury shares	11	(23.3)	(21.9)
ESOP reserve	12	0.7	0.7
Profit and loss account	13	19.4	15.9
Total shareholders' funds	14	7.8	5.7

The financial statements on page 129 to 135 were approved by the Board of Directors on 23 May 2014 and were signed on its behalf by:



Anders Kristiansen
CHIEF EXECUTIVE OFFICER

New Look Retail Group Limited
Registration number: 05810406

New Look Retail Group Limited

Notes to the Company

financial statements

1. Authorisation of financial statements

The financial statements of New Look Retail Group Limited for the 52 weeks ended 29 March 2014 were authorised for issue by the Board of Directors on 23 May 2014 and the balance sheet was signed on the Board's behalf by Anders Kristiansen.

New Look Retail Group Limited, a private limited company, is incorporated in England and Wales and is the ultimate parent company of the New Look Group of companies.

2. Accounting policies

The financial statements of the Company, for the financial period ended 29 March 2014 have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK Generally Accepted Accounting Principles (UK GAAP). The principal accounting policies which have been applied consistently are set out below.

Basis of preparation

The Company has taken advantage of the exemption under the terms of FRS 1 (revised 1996) from the requirement to produce a cash flow statement. A consolidated cash flow statement is included in the Group's financial statements. The Company has also taken advantage of the exemption contained in FRS 8 from the requirement to disclose related party transactions with wholly owned group companies. The Company has taken advantage of the legal dispensation contained in section 408 of the Companies Act 2006 allowing it not to publish a separate profit and loss account and related notes.

Investments

Investments are stated at cost less provisions for impairment. The need for any impairment write down is assessed by comparison of the carrying value of the asset against the higher of its net realisable value or its value in use.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable when, on the basis of all available evidence, it can be regarded as more likely than not there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax has not been discounted.

Non-derivative financial assets and liabilities

Non-derivative financial assets and liabilities are recognised initially at fair value and subsequently at amortised cost using the effective interest rate method.

Share based payments

The grant by the Company of options over its equity instruments to the employees of a subsidiary undertaking in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value of the equity instrument, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity. At each balance sheet date, the Company revises its estimates of the number of options or shares that are expected to vest. The impact of any revision, if any, is recognised as a capital contribution with a corresponding adjustment to reserves. A provision is booked for the liability arising on 'cash settled' share based payments on behalf of a subsidiary undertaking at each balance sheet date. Full disclosure of share based payments is given in note 31 of the Group financial statements.

Shares held by ESOPs

The ESOPs provide for the issue of shares to Group employees and is consolidated. The shares acquired by the ESOPs are included as treasury shares within capital and reserves at cost. Gains made by the ESOPs on purchasing and selling Company shares are recorded within a separate ESOP reserve.

3. Profit of the Company

The profit (2013: loss) for the financial period dealt with in the financial statements of the Company was £2,202,000 (2013: loss £767,000). The Company has no recognised gains or losses (2013: none) apart from the profit for the period and therefore no separate statement of gains and losses has been presented.

The fees payable for the audit are borne by another Group company. The aggregate remuneration paid to the auditors in relation to services received by the Group is disclosed in the consolidated financial statements in note 7.

4. Staff costs

New Look Retail Group Limited had no employees during the period (2013: none).

Directors' remuneration is borne by another group company. Details of Directors' remuneration are disclosed in note 8b to the Group consolidated financial statements.

5. Investments

	As at	
	29 March 2014	30 March 2013
	£m	£m
Cost and net book value at the start of the period	34.3	34.5
Capital contribution in respect of share based payments	6.3	(0.3)
(Disposed of) / acquired in the period	(0.1)	0.1
Cost and NBV at the end of the period	40.5	34.3

Investments represent holdings in subsidiary undertakings.

The Directors believe that the carrying value of the investments is supported by their net assets or the trading results and net assets of the investments' subsidiaries.

New Look Retail Group Limited

Notes to the Company financial statements (continued)

5. Investments (continued)

The principal subsidiary companies in which New Look Retail Group Limited or its subsidiaries hold 100% of the ordinary shares and voting rights are listed below. These companies are consolidated into the financial results of the Group.

Subsidiary	Country of incorporation and operation	Main activity
Pedalgreen Limited ⁽¹⁾	England and Wales	Intermediate holding company
New Look Finance Limited	England and Wales	Intermediate holding company
New Look Finance II Plc	England and Wales	Intermediate holding company
New Look Bondco I Plc	England and Wales	Intermediate holding company
Trinitybrook Limited	England and Wales	Intermediate holding company
Hamperwood Limited	England and Wales	Intermediate holding company
New Look Group Limited	England and Wales	Intermediate holding company
New Look Limited	England and Wales	Intermediate holding company
New Look Retailers Limited	England and Wales	Fashion retail
Geometry Properties Limited	England and Wales	Property holding and rental
New Look Overseas Limited	England and Wales	Intermediate holding company
New Look Retailers (CI) Limited	Guernsey	Fashion retail
New Look Holdings (France) SAS	France	Intermediate holding company
Mim SAS	France	Fashion retail
SCI Geometry Properties France	France	Property holding and rental
New Look France SAS	France	Fashion retail
New Look Belgium SA	Belgium	Fashion retail
MIM Belgique	Belgium	Fashion retail
New Look Holland BV	Holland	Fashion retail
New Look (Singapore) PTE Limited	Singapore	Logistics and freight management
New Look Retailers (Ireland) Limited	Republic of Ireland	Fashion retail
New Look (Germany) GmbH	Germany	Fashion retail
Fashion Look Sp. z o.o.	Poland	Fashion retail
Cenzora Enterprises Limited	Cyprus	Intermediate holding company
New Look Commerce (Shanghai) Co. Limited	People's Republic of China	Fashion retail

Note:

1. Pedalgreen Limited shareholding held directly whilst all others held indirectly through wholly owned subsidiaries.

A full list of subsidiary undertakings as at 29 March 2014 will be annexed to the Company's next annual return.

During the financial period, NL Bowline Limited, NL Company No.1 Limited, NL Company No.2 Limited, NL Company No.3 Limited and Guernsey 4 Limited were placed in to liquidation and were struck off.

In addition, the Company has a 50% stake in the ordinary share capital of NLT Tekstil Sanayi Ve Ticaret Limited Şirketi, a joint venture incorporated in Turkey, whose principal trading activity is retail manufacturing

6. Creditors: amounts falling due within one year

	As at	
	29 March 2014	30 March 2013
	£m	£m
Amounts owed to Group undertakings	28.1	28.7
Other taxation and social security	0.1	0.1
Corporation tax	0.1	0.1
Liability for cash settled share based payments	1.4	—
	29.7	28.9

Amounts owed to Group undertakings are interest free, are unsecured and repayable on demand.

7. Creditors: amounts falling due after more than one year

	As at	
	29 March 2014	30 March 2013
	£m	£m
Other creditors	2.6	2.4
Other taxation and social security	0.1	0.3
Liability for cash settled share based payments	3.6	0.7
	6.3	3.4

8. Financial commitments

The Company had no capital commitments at 29 March 2014 (2013: none).

9. Called up share capital

	As at	
	29 March 2014	30 March 2013
	£m	£m
Authorised:		
200,000,000 Ordinary A shares of 1p each	2.0	2.0
1,000,000,000 Ordinary B shares of 1p each	10.0	10.0
	12.0	12.0
Allotted, called up and fully paid:		
157,617,228 Ordinary A shares of 1p each	1.6	1.6
879,126,079 Ordinary B shares of 1p each	8.8	8.8
	10.4	10.4

New Look Retail Group Limited

Notes to the Company financial statements (continued)

9. Called up share capital (continued)

On 9 May 2006, New Look Retail Group Limited was incorporated with 1 Ordinary share of £1 issued to Instant Companies Limited. On 19 May 2006, New Look Retail Group Limited transferred the share to Permira Funds and issued 1 Ordinary share of £1 to Apax Funds so that it was jointly and equally held. On 1 June 2006 each £1 Ordinary share was converted into 100 Ordinary B shares of 1p.

On 7 June 2006, to acquire shares of Pedalgreen Limited, a further 287,183,785 Ordinary B shares of 1p each were issued to Apax Funds and a further 287,183,786 Ordinary B shares of 1p each were issued to Permira Funds and a coinvestor. 155,000,000 Ordinary A shares of 1p each and the remaining 304,758,308 Ordinary B shares of 1p each, were issued to the remaining shareholders of Pedalgreen Limited. At that date the Company became the ultimate holding company of Trinitybrook Limited as part of the Group reorganisation pursuant to the share for share exchange arrangement, in which 100% of the voting shares of Pedalgreen Limited were acquired by New Look Retail Group Limited.

In the 2007 financial statements New Look Retail Group Limited took advantage of section 131 Merger Relief under the Companies Act 1985 in preparing its financial statements. No share premium has been recognised on the issue of these shares.

On 30 April 2009 2,148,568 Ordinary A shares of 1p and on 21 August 2009 468,660 Ordinary A shares of 1p were issued at 25.0p for the purposes of the 2008 Share Plan. The share premium arising from these issues is shown in note 10. The 2008 Share Plan is one of the Group's share based payment arrangements shown in note 31 of the Group financial statements and is operated through an ESOP discussed in note 11.

10. Share premium account

	As at	
	29 March 2014	30 March 2013
	£m	£m
Share premium as at 29 March 2014 and 30 March 2013	0.6	0.6

11. Treasury shares

The initial consideration paid for ordinary shares in the Company held by the ESOPs has been shown as a deduction in capital and reserves as treasury shares. All other assets, liabilities, income and costs of the ESOPs have been incorporated into the financial statements of the Company.

The ESOPs have an independent professional trustee resident in Guernsey and provides for the issue of shares to Group employees, at the discretion of the Trustee.

At 29 March 2014 the ESOPs held 115,809,649 (2013:102,914,649) Ordinary A shares of 1.0p each in the Company and 323,408 (2013: 323,408) Ordinary B shares of 1.0p each in the Company.

	As at	
	29 March 2014	30 March 2013
	£m	£m
Opening treasury shares	(21.9)	(22.1)
Share (purchased) / disposed of in the period	(1.4)	0.2
Closing treasury shares	(23.3)	(21.9)

12. ESOP reserve

	As at	
	29 March 2014	30 March 2013
	£m	£m
ESOP reserve as at 29 March 2014 and 30 March 2013	0.7	0.7

13. Profit and loss account

	As at	
	29 March 2014	30 March 2013
	£m	£m
Opening profit and loss account	15.9	16.6
Profit / (loss) for the financial period (note 3)	2.2	(0.8)
Share based payment (credit) / charge	(0.1)	0.1
Purchase of treasury shares and beneficial rights	1.4	—
Closing profit and loss reserve	19.4	15.9

14. Reconciliation of movement in shareholders' funds

	As at	
	29 March 2014	30 March 2013
	£m	£m
Profit / (loss) for the financial period (note 3)	2.2	(0.8)
Shares issued from/(to) ESOPs from treasury shares (note 11)	(1.4)	0.2
Purchase of treasury shares and beneficial rights (note 13)	1.4	—
Share based payment (credit)/charge (note 13)	(0.1)	0.1
Net movement in shareholders' funds	2.1	(0.5)
Opening shareholders' funds	5.7	6.2
Closing shareholders' funds	7.8	5.7

15. Contingent liability

The Company is party to a cross guarantee on the UK borrowing facilities of the New Look Retail Group Limited Group, which amounts to £75.0 million (2013: £10.8 million) undrawn committed revolving multi-currency facility as at 29 March 2014. This facility expires in more than one year.

16. Related party transactions

The Directors of the Company had no material transactions with the Company during the period, other than the loans that were outstanding in connection with their purchase of the beneficial interest in shares under the 2008 Share Plan as disclosed in note 36 of the consolidated financial statements.

17. Events after the reporting period

As permitted under the PIK facility agreement dated 14 May 2013, New Look Finance II Plc gave notice to debt investors on 23 April 2014 that the Group intends to prepay an amount of the new PIK debt equal to a principal amount of £37.6 million plus accrued interest of £1.2 million and a redemption premium of £1.2 million. The prepayment is due to be settled on 27 May 2014.

18. Ultimate controlling party

New Look Retail Group Limited is the ultimate parent of the Group, and is the largest and smallest group of undertakings to include these financial statements in their consolidation. Apax Funds own 27.7% and Permira Funds own 27.6% of the total issued share capital. Copies of the financial statements can be obtained from New Look House, Mercery Road, Weymouth, Dorset.

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Forward-looking statements

This annual report contains "forward-looking statements" within the meaning of the securities laws of certain jurisdictions, including statements under the captions "Overview", "Strategic report", "Business model", "Year in review", "Financial review", "Risks & uncertainties" and in other sections of this annual report. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the words "believes", "could", "estimates", "anticipates", "expects", "intends", "may", "will", "plans", "continue", "ongoing", "potential", "predict", "project", "target", "seek", "should" or "would" or, in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this annual report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy and the industry in which we operate.

By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements.

Many factors may cause our results of operations, financial condition, liquidity and the development of the industry in which we compete to differ materially from those expressed or implied by the forward-looking statements contained in this annual report.

These risks and others described under "Risks & Uncertainties" are not exhaustive. Other sections of this annual report describe additional factors that could adversely affect our results of operations, financial condition, liquidity and the development of the industry in which we operate. New risks can emerge from time to time, and it is not possible for us to predict all such risks, nor can we assess the impact of all such risks on our business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results.

Any forward-looking statements are only made as of the date of this annual report and we do not intend, and do not assume any obligation, to update forward-looking statements set forth in this annual report. You should interpret all subsequent written or oral forward-looking statements attributable to us or to persons acting on our behalf as being qualified by the cautionary statements in this annual report. As a result, you should not place undue reliance on these forward-looking statements.

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