NEW LOOK

Annual Report and Accounts 2014/15

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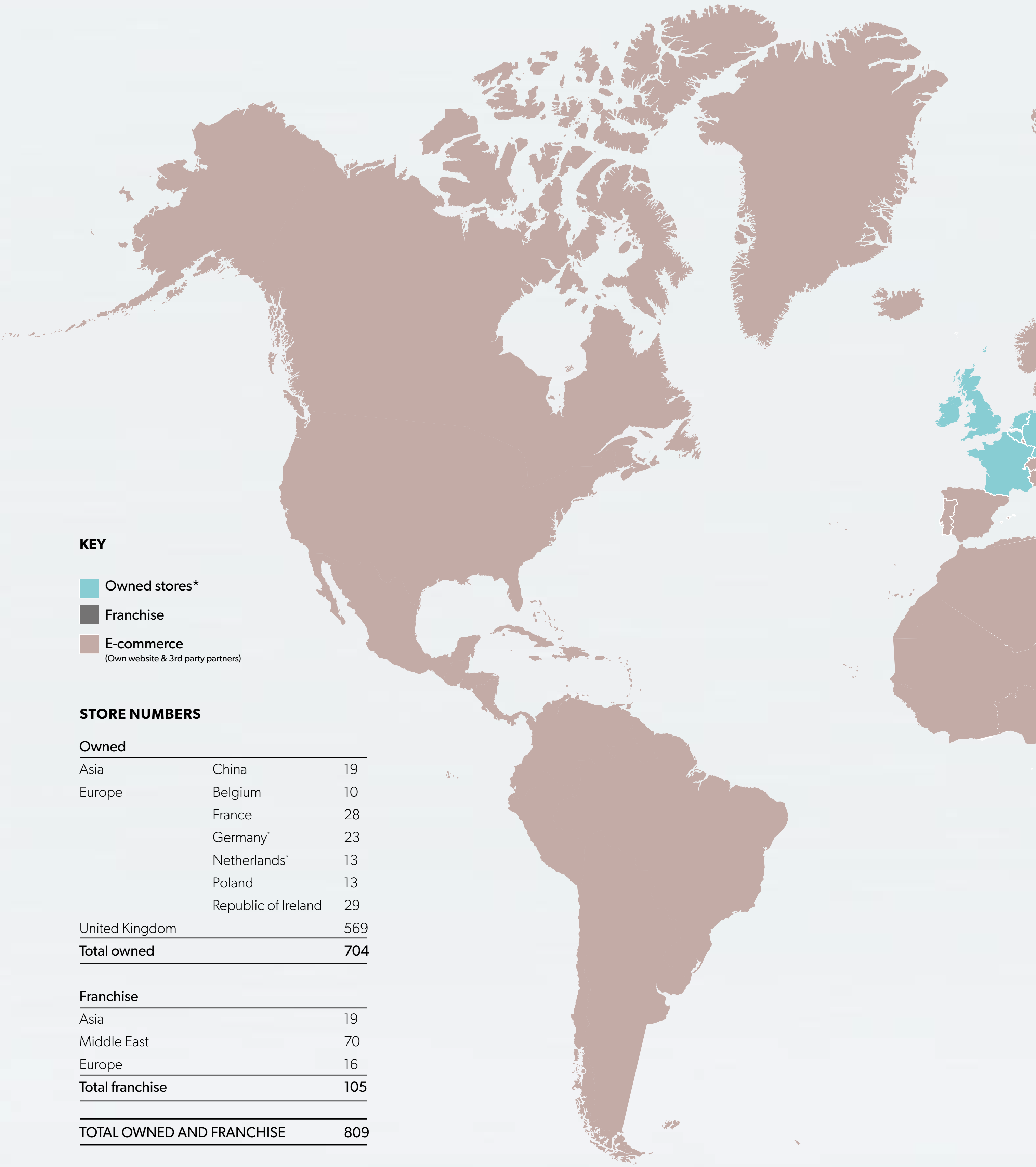
OVERVIEW

A GLOBAL RETAILER



KEY

- Owned stores*
- Franchise
- E-commerce (Own website & 3rd party partners)

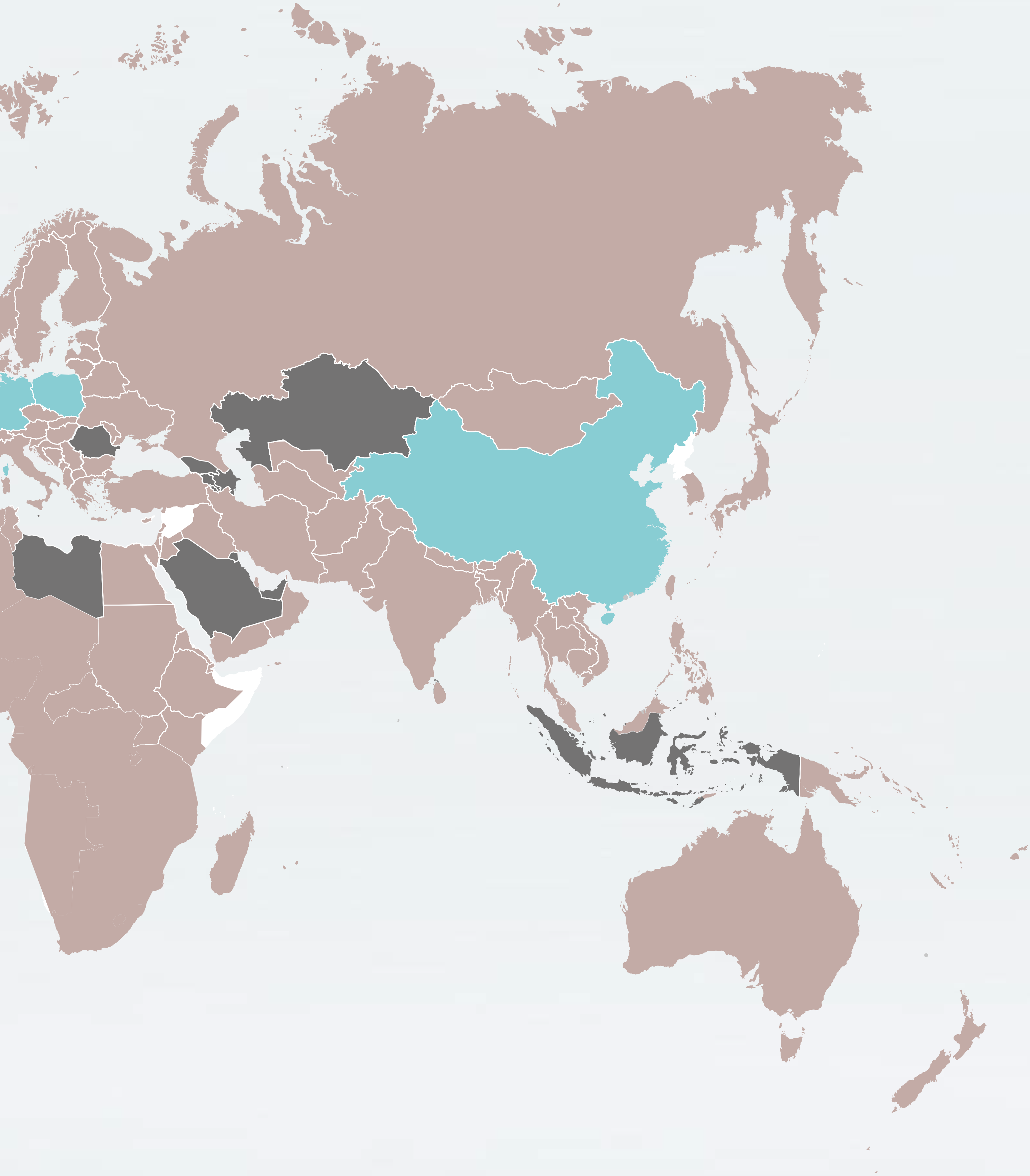
STORE NUMBERS

Owned		
Asia	China	19
Europe	Belgium	10
	France	28
	Germany*	23
	Netherlands*	13
	Poland	13
	Republic of Ireland	29
United Kingdom		569
Total owned		**704**

Franchise	
Asia	19
Middle East	70
Europe	16
Total franchise	**105**

TOTAL OWNED AND FRANCHISE	809

* includes concessions stores



BUSINESS OVERVIEW

WHO WE ARE AND WHAT WE DO

From a single store in Taunton, UK in 1969, we've grown into a global, truly multichannel fashion brand.

We have 569 stores in the UK and a growing global presence, with a total of 809 stores around the world.

We cater for female shoppers aged 16-45, with an average age of 33. We are also reaching out to the Mens market. Our 915 range caters for teens.

We have a wide network of stores as well as a strong online presence, and with the refinement of our Click and Collect, Order in Store options and upgrades to our mobile site, our customers can shop wherever, whenever and however suits them.

OUR BUSINESS MODEL

- We are more than a retailer – we aspire to be a truly global, multichannel brand.
- We seek to deliver consistent product handwriting, to enable our customers to purchase the entire 'look'.
- We are a flexible, fast-fashion business, with a strong supply chain, which can react quickly to new trends.
- We operate a push model, controlled centrally with teams in each of our markets executing the strategy.

KEY OPERATIONAL ACHIEVEMENTS

Total revenue from continuing operations **£1,414.5 million**

(FY14: 1,368.0 million)

Gross profit of **£745.8 million**

(FY14: £722.1 million)

Adjusted EBITDA* of **£212.4 million**

(FY14: £204.2 million)

China grown to **19 stores**

Significant sales growth of **34%** in **E-commerce**, with new channel **3rd Party Partnerships delivering £12.0 million** of this growth

Successful divestment of Mim in November 2014

* Adjusted EBITDA, a non-IFRS measure, is calculated as underlying operating profit before depreciation of tangible fixed assets and amortisation of intangible fixed assets.

FINANCIAL HIGHLIGHTS*

* On a continuing operations basis. For our discussion of the financial results and a full definition of terms see the Financial Review.

£46.5m

Revenue increased by £46.5 million to £1,414.5 million

+4.0%

LFL sales were +4.0%

£8.2m

Adjusted EBITDA increased by £8.2 million

+8.7%

Underlying operating profit increased by +8.7%

£49.0m

Profit after tax increased by £35.5 million to £49.0million

NEW LOOK AT A GLANCE

No.2 womenswear retailer in the UK *

The UK's biggest clothing and accessories retailer for women under 35*

A global brand with 809 stores worldwide

No.1 for under 39 women's footwear in the UK*

* Kantar Worldpanel, 52 weeks to 15 March 2015, by value

We've got almost 4.2m followers on social media

An online store serving around 120 countries

A team of nearly 16,500 passionate people

We are the 3rd most visited fashion website in the UK*

* Experian Hitwise March 2015: Shopping and Classifieds – Apparel and Accessories

CHAIRMAN'S STATEMENT

I am delighted to have joined New Look at such an exciting time. Steered by Anders Kristiansen and his team, the brand has enjoyed a strong year – fulfilling growth ambitions and delivering impressively against the strategic objectives set out 18 months ago. These successes are significant steps towards realising our goal of making New Look a truly global fashion brand.

As well as numerous New Look store openings across China and Europe, we have also extended our global reach through the launch of local language websites in Europe, through further 3rd Party E-commerce partnerships across the world and through our new online store on Tmall in China. The flexibility of our low-risk franchise model allowed us to exit from currently problematic Russia and Ukraine, while the sale of Mim, which was successfully completed in November, now allows our focus to be fully concentrated on our core New Look brand.

The Board has been further strengthened during the year with Mike Iddon joining us as Chief Financial Officer and a number of new non-executive directors. As well as extending a warm welcome to Mike and the non-executives, I'd like to thank Richard Collyer for stepping into the role of Interim CFO. I also want to acknowledge the hard work, dedication and commitment of people right across the New Look business, ranging from store staff to everyone working in our various support centres around the world. Their remarkable contribution is key to our continuing success.

We remain watchful of the wider consumer environment as, despite low inflation and some wage growth, we're aware our customers may remain cautious in their spending habits - but we're confident that our proven ability to deliver great fashion at genuinely appealing price points across our many channels ensures the New Look brand is extremely well placed for the year ahead.

We were very pleased to announce that following the year end an agreement has been reached whereby Brait SE will acquire a circa 90% interest in New Look Retail Group Limited. This is an ideal outcome for New Look, as Brait SE is a good strategic fit for the business. I'd also like to take this opportunity to thank Apax Partners and Permira for their support over the past 11 years.

Paul Mason

NON-EXECUTIVE CHAIRMAN

22 May 2015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BROOKLYN
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CEO'S STATEMENT

Operationally as well as financially, New Look has had a great year. We've executed our strategy consistently and have met our strategic goals across the 5 pillars of the New Look business: Brand, Multichannel, International, Product and People.

We've maintained our position as the UK's second-biggest womenswear retailer*, consolidating and in some product categories increasing our UK market share. We've also extended our international reach.

I'm proud of the year's achievements, and pleased with our progress towards making New Look a truly global multichannel brand.

Following the year end, we have announced that a Share Sale and Purchase Agreement has been signed with Brait SE, and this is a great outcome for New Look. Brait SE has a track record of being long-term and supportive partners and we are looking forward to working with them to continue to successfully deliver our long term strategic vision for New Look.

Our aim is complete consistency across all customer touch points

We've continued to invest in store refurbishment, rolling out our successful 'concept' format and were thrilled to win Store Design of the Year for our White City store at the 2014 World Retail Awards. Among a host of further refinements and enhancements, we're integrating our E-commerce and M-commerce experience by introducing dedicated Click & Collect points and installing operational tablets in stores.

We want to enable customers to shop with us wherever, whenever, and however they wish.

Our transactional website at newlook.com is the 3rd most visited online fashion resource in the UK with an average of 4.5 million visits a week**. During the year, we supported this success with a number of further improvements to our E-commerce proposition including expanding delivery options and choice. We also launched local language websites in France and Germany to support our retail stores and extend brand awareness in these markets.

We saw a significant shift to mobile and tablet activity by our customers during the year and continued to invest to support this clear trend.

We've also seen exceptional growth in our 3rd Party E-commerce partnerships. This arrangement (in which we supply the partner with New Look product on a 'wholesale' basis) provides us with low-risk, low capital investment entry into new markets – thus extending New Look's global reach, while allowing us to capitalise on the partner's local market expertise.

Shopping habits are continuing to evolve, with consumers increasingly likely to search and compare products then complete purchases on the move. Our success throughout the year, including the peak Christmas trading period demonstrated the benefits of operating a truly multichannel model supported by a range of convenient service options for both purchase and delivery. Our retail stores also continue to be an important growth channel for our brand, with New Look's omnipresence across the UK facilitating our Click & Collect delivery and Order In Store E-commerce service options.

* Kantar Worldpanel, 52 weeks to 15 March 2015
** Experian Hitwise March 2015: Shopping and Classifieds – Apparel and Accessories

CEO'S STATEMENT

Our focus is on our key strategic markets in China and Europe

In China, following our successful launches in Shanghai and Beijing last year, we continued growing our store portfolio as well as pursuing E-commerce. In addition to our non-transactional website at newlook.cn (which showcases New Look product and brand to the Chinese market), we launched on Tmall, a transactional website operated by the Alibaba Group.

We've built a strong team in Shanghai to manage our activity in China, assisted by teams in our UK support centres who have worked hard to tailor New Look ranges to the Chinese market. We're also increasing the levels of domestic sourcing to deliver trend product more quickly – as well as improve margins.

In Poland, following the acquisition of our franchisee's business in February 2014, we installed our management team to drive performance and have also opened new stores to a tighter 'commercial' template. In France, we successfully divested our Mim brand in November 2014 to allow our exclusive focus on the New Look brand. In Germany, the third of our key European markets, we rapidly expanded our portfolio of concessions within major department stores. Our customers in France and Germany were further supported by the launch of local language websites during the year.

We seek to attract and retain the best talent

We aim to deliver consistency across the product range, with a broad appeal, value-fashion proposition that offers real choice in style and price. Without compromising our reputation for exceptional value, we have broadened our price architecture in key categories, with Premium ranges alongside compelling entry price points – our goal is to offer true choice.

The success of our menswear ranges with our 3rd Party E-commerce partners has also highlighted the huge potential to grow this category from its current 3% share of total sales.

Across the world, in stores, support centres, and distribution facilities, our people are a true asset. They live and breathe the New Look brand values of think customer; be brave; take responsibility; keep it simple; act with pace – working hard to put our customers at the heart of everything we do.

I am constantly impressed by the dedication, enthusiasm and positivity that our staff demonstrate every day. As well as acknowledging their commitment, support and passion for our brand, I want to thank all of them for the part they've played in the successful delivery of our strategic goals this year.

Anders Kristiansen

CHIEF EXECUTIVE OFFICER

22 May 2015

STRATEGIC REPORT


CALIFORNIA
NEW LOOK

BUSINESS MODEL

What we stand for: looking good, feeling great

At New Look, we celebrate great style and we focus on exciting, and affordable fashion designed to fit and flatter a wide range of sizes, shapes and ages. It's this distinctly positive and engaging stance that identifies New Look as our customers' trusted fashion authority and best fashion friend.

Our customers rely on us to spot emerging trends and develop products at the right time, price and quality. They expect us to be quick to react and fast to deliver. And we are - introducing hundreds of new products every week both online and in our stores across the globe to ensure we're always offering something fresh and exciting.

We're continuing to improve our product handwriting and extend the appeal of our ranges. We're enhancing choice not only by stretching our price architecture but also by exploring opportunities to develop new product categories such as activewear, cosmetics and fragrance (successfully trialled in FY15), and by our commitment to 'selling a look', where by inspirational online content and in-store visual merchandising helps women and men to discover the key accessories and other components that complete a striking on-trend style statement.

Our fast, flexible supply chain

We don't own or manage the factories that manufacture for us, but we have built strong working relationships right across our supply chain. At present, we work with 244 suppliers operating from approximately 778 factories in 29 countries giving us exceptional flexibility and speed to market. On average, we progress a garment from order all the way to store in just 13 weeks; in some instances we can condense the lead time to as little as two weeks. This enables us to right-time our response to ever-changing consumer demand, supporting the strongest trends and most outstanding successes but minimising fashion risk.

Our place in the UK market

In calendar year 2014, the UK clothing market was estimated to have a total value of £41.2 billion.* New Look operates in the value clothing segment, which, with an estimated value of £12.6 billion, currently represents 31% of the overall UK clothing market.*

Although we consider the UK a resilient market with continuing growth, we see the value segment of the clothing market continuing to outstrip the rest of the market, and New Look is well positioned within this segment thanks to its unique fast-fashion value proposition.

We have developed a 'Good, Better, Best' price architecture, which is allowing us to enhance choice and broaden our appeal without compromising our value positioning. Overall, we command strong brand awareness in the UK, maintaining No. 2 position in the UK womenswear market**. During FY15, 13.6 million people in the UK were unique New Look customers** .

Our UK stores

We have a well-established and extensive store presence throughout the UK, with a total of 569 stores in prime, high street and key shopping mall locations from the north of Scotland all the way to the southern tip of Cornwall. This places a New Look store within easy reach of 96% of the UK population***, and, our continuing investment in store refurbishment means 274 of our UK stores are now trading in our performance-enhancing 'concept' format.

As well as being a channel of sales growth and providing a compelling physical showcase for our brand, the wide unmatched geographic reach of our UK stores provides an important support for E-commerce activity. This allows us to be a true multichannel retailer. In fact, we're driving closer integration between the online and in-store experience. The hugely popular Click & Collect service option allows customers to order from desktop, tablet, smartphone or other mobile device and then pick up at their chosen New Look store – while our Order in Store facility gives in-store customers the opportunity to shop from our full fashion range online for home delivery. UK customers also appreciate the ease and convenience of returning (or exchanging) items purchased online at their local New Look store.

* Verdict 2015
** Kantar Worldpanel, 52 weeks to 15 March 2015
*** CACI, April 2015

Global reach

New Look has serious international ambitions. Following the successful launch in February 2014 of our first five stores in China, we rapidly extended our presence there to 19 locations with further stores already opening in FY16.

In Poland, following the acquisition of our franchise in FY14, we have opened a further three stores, bringing our total in this market to 13.

We also operate 29 directly owned stores in the Republic of Ireland, 28 in France, 10 in Belgium, 23 concessions with strategic department store partners in Germany and 13 stores in Holland (including 12 concessions).

We also currently have 105 franchise stores in 13 countries. After a period of expansion, our focus has switched to supporting existing franchise partners in a drive to improve sales performance (and thus our royalty income) and profitability.

Mim

In the strategic review conducted during FY14, it was determined that our Mim business should no longer be a strategic focus for the Group. Following an indicative offer in July 2014, New Look entered into a Sale and Purchase Agreement with Main Asia (HK) Limited, an independent company advised by Asia Global, with respect to the sale of Mim. The sale was successfully completed in November 2014, allowing us to focus all energies on our core New Look brand.

Multichannel development

New Look is continuing to evolve into a truly multichannel business, with a rapidly growing E-commerce proposition and a strong social media dialogue.

Operating from a proven ATG/Oracle platform, with an average of 4.5 million visits a week our transactional website at newlook.com is the UK's 3rd most visited online fashion resource* achieving a market share of 4.8%**. We also have an app for mobile devices plus a fully optimised M-commerce site, enabling customers to browse and buy on phones and tablets while on the move. We've launched local language websites in France and Germany to support our store presence in these markets. In China we launched on the Tmall marketplace in September 2014 and also have a non-transactional website at newlook.cn to build brand awareness in China.

Our newest channel to market is 3rd Party E-commerce, in which we form strategic partnerships with selected website providers who buy our product on a wholesale basis and market it to their customers. Harnessing the partner's local expertise, this arrangement provides an attractive route into new territories without high resource commitment or extended risk. We achieved considerable success with this during FY14 (our first full year operating this channel), on which we continued to build in FY15.

Being conversational and building deeper relationships is at the heart of our social media strategy. We're proud to be a social brand with engaged fans and followers. In fact, our social media fan base goes from strength to strength with almost 4.2 million engaged followers.

New Look has serious international ambitions.

Infrastructure

All channels of our business are now served by our directly managed, highly automated distribution centre at Lymedale, Staffordshire – which now has a capacity of 180 million units of stock per annum. This operation is complemented by additional support for our Asian markets from outsourced distribution hubs in Singapore and Shanghai.

Our London Support Centre accommodates our Buying, Merchandising, Design, Multichannel, International Partnerships and Marketing teams, while our Weymouth site houses our IT, Finance, Audit, Procurement, Property and Human Resources teams.

We also have dedicated in-market support teams in France, Poland and China supporting operations in those markets.

Customer experience

In FY15 we had over 500 million visits to our stores and websites. We continued to enhance the New Look brand, completing the roll-out of our new brand identity and striving to deliver a completely consistent shopping experience – wherever, whenever, and however our customers choose to shop with us.

Our innovative New Look Listens programme measures the success of the customer service initiative rolled out during the year by providing live feedback on their in-store experience. Customers complete a survey online which then goes directly to the store. Where the feedback is positive, team members are rewarded. But if a customer hasn't had a great experience, the issue can be directly resolved by store management to retain or rebuild the customer's loyalty.

Careers at New Look

We're proud of our success in attracting and nurturing talent as well as our track record in creating exceptional career development opportunities. We remain fully committed to recognising success and rewarding the efforts of the thousands of talented, fashion-focussed people who deliver New Look's outstanding customer experience throughout the UK and around the world.

We continue to recruit apprentices who can proceed into management, and we host development programmes for potential senior leaders through The New Look Academy and our Stores of Learning framework for building skillsets.

* Experian Hitwise March 2015: Shopping and Classifieds – Apparel and Accessories
** Kantar Worldpanel, 52 weeks to March 2015 (Total Womenswear)

THE YEAR IN REVIEW

FY15 has proved to be a year of growth at New Look, characterised by continued delivery against our strategic goals. We're proud of our achievements.

Highlights have included establishing our brand in China, where we had 19 stores at year end plus an online shopping proposition and fast-growing levels of social media engagement. We also extended our presence in Poland and Germany, and further extended New Look's global reach by increasing our number of 3rd Party E-commerce partnerships. In addition, we successfully concluded the sale of Mim, allowing us to focus fully on our core New Look brand – which has benefitted throughout FY15 from continuing investment in store refurbishment and improvements to the online experience.

Over the year, we're pleased to have made considerable progress on key objectives in each of the 5 pillars of our business: Brand, Multichannel, International, Product and People.


Shoes

91%

of the UK's female shoppers* recognise the New Look brand

BRAND

During FY15, we completed the roll out of our new brand identity across stores, E-commerce platforms, product and all customer touch points.

Everything from our shop-front fascias to garment labelling and carrier bags now consistently carry our distinctive new graphic.

In our ongoing commitment to giving customers an exciting and inspirational environment in which to shop, our store refurbishment programme continued during FY15 with further enhancements and updates to our 'concept' format. The latest and most highly developed version launched at our new White City store in April 2014, won Store Design of the Year (for >1,200 sqm) at the World Retail Awards. Our refreshed stores don't only look more enticing; they continue to outperform unconverted stores, generating an incremental improvement in profitability of around 5.3%.

91% of the UK's female shoppers* recognise the New Look brand. Throughout the year, we focussed on initiatives to build brand awareness in new markets as well as sustaining profile in markets where New Look is already established.

Within the UK, our efforts included an eye-catching pre-Christmas outdoor advertising campaign that married engaging fashion images with compelling price points. Further afield, we utilised online platforms to convey messaging about who we are and what we do. In China, our non-transactional website at newlook.cn continued to showcase our on-trend product and communicate our fashion credentials – building on initial awareness achieved by our PR-generative pre-launch campaign in Shanghai and Beijing towards the end of FY14. In mainland Europe, our new local language websites for France and Germany proved important tools for supporting our retail presence.

Our PR teams continued to deliver exceptional coverage throughout the year, generating £106 million of coverage. In UK and ROI alone, they generated coverage totalling £78 million** – making New Look the UK's number 2 fashion brand for PR versus our key competitors.

* TNS UK Brand Tracker, 9 months to March 2015
** MyMarketMonitor, March 2015

MULTICHANNEL

Wherever, whenever, and however channel customers choose to engage with us, we want their experience to be seamless and consistent.

So we continued our drive towards integrating online and in-store with such innovations as dedicated Click and Collect points in our latest 'concept' stores, and the introduction of operational tablets to facilitate our Order in Store service.

On our transactional website at newlook.com, we delivered further enhancements in design and content, as well as in search capacity, navigation and functionality. Most significantly, we simplified the check-out process, reducing the number of component stages and thereby the time and effort required to complete a transaction.

In response to rapidly increasing usage of mobile devices such as tablets and smartphones to browse and buy, we launched an enhanced M-commerce platform with greatly improved navigation and filters. The importance of this development was confirmed on Boxing Day, when, for the first time, the number of our E-commerce orders raised from mobile devices overtook those raised from desktops.

In China, complementing our non-transactional website at newlook.cn (which showcases New Look product and brand to the Chinese market), we launched E-commerce on Tmall, a transactional website operated by the Alibaba Group. We also launched local language websites for France and Germany.

Identifying a further opportunity to extend New Look's global reach, we increased the number of our 3rd Party E-commerce partnerships. This arrangement (in which we supply carefully selected partners with New Look product on a 'wholesale' basis for distribution via their own E-commerce platforms) allows us to capitalise on the partner's local market expertise, while building awareness of and testing appetite for New Look in markets where our brand has not previously been known. At the end of FY15, we had 11 key partnerships in place, reaching around 245 countries worldwide.

Global E-commerce fulfilment is handled by our highly automated distribution centre at Lymedale, Staffordshire. While fully supporting our comprehensive range of UK home delivery services (which now include express and nominated day options), Lymedale's capacity and proven capability allowed us to introduce new European and International delivery services.

Although tested by a succession of record-breaking trading days during FY15, our Lymedale facility coped admirably.


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NEW LOOK
LONDON

INTERNATIONAL

During FY15, we made significant advances towards our international expansion ambitions.

We added to our presence in China and Germany, kick-started growth in Poland, but withdrew from our franchise businesses in the troubled markets of Russia and Ukraine.

During the year, we expanded our Chinese stores to 19 – choosing a variety of locations, sizes and formats to help us test this important market and provide invaluable learnings for future expansion. We have been encouraged by Chinese consumers' enthusiasm for our brand and pleased by the speed at which our Chinese stores are achieving a positive performance.

Our social media engagement in China sustained further rapid growth during the year. We now have almost 300,000 fans on Weibo and over 32,000 on WeChat. In September 2014, we launched E-commerce in China on Tmall, a transactional local-language website operated by the Alibaba Group.

Market conditions in Western Europe were difficult and we underperformed in France. However, as well as continued investment in reviewing, refurbishing and updating of the existing portfolio in France, we opened 2 new stores in Clermont Ferrand and Marseilles, both on smaller, 'right-sized' footprints and in strong commercial locations. At the end of FY15, we had a total of 28 stores in this market. Also, in July 2014, we launched a local language website to support our established retail presence in France.

During the year, we integrated our 10 stores in Poland (acquired from a former franchisee towards the end of FY14) into our directly operated estate, and opened 3 new stores in Warsaw, Wroclaw and Lublin.

We significantly increased our presence in Germany, focussing on opening concessions within Wohrl / SinnLeffers department stores. At the end of FY15, this gave us a total of 23 in-store concessions in this market, supported by our new local language website launched in July 2014.

PRODUCT

We continued our drive to offer great fashion and great value.

This means identifying key trends and right-timing our response to them, and ensuring full support for best-selling looks of which, in womenswear, kimonos and printed trousers proved outstanding examples. We sold almost 1.5 million units of the former, generating sales of over £26 million.

Choice in key product categories was enhanced by the development of our 'Good, Better, Best' formula to help stretch our price architecture. In women's denim, for example, this involved supplementing our core ranges with exceptional value price points at the entry level (£9.99 jeans) and new premium-quality product (£39.99 jeans) at the upper level.

We also aimed to drive real growth through identifying and developing additional product categories that could complement our established core ranges. Following a successful trial in August 2014, we rolled out women's activewear to 150 stores in January 2015. Other major developments included the launch of cosmetics and fragrance, now being rolling out to most of our UK stores and selected European locations – with queue-barriers at pay points being replaced by fixtures presenting our affordable on-trend make-up.

Our women's footwear also achieved an increase in market share, with exceptional performance in boots and flat sandals. Our extended price architecture allowed us to introduce, for example, premium product in real leather. We also enhanced choice by further development of our comfort and wide-fit ranges.

Our 915 teenwear range had its most profitable year ever – a performance driven by exceptional growth in girl's jeans and tops. We sold over 190,000 baseball-style t-shirts and over 50,000 parkas.

Transforming New Look into a dual gender brand is one of our clearly identified strategic aims. During FY15, our new but experienced menswear team focussed on building a credible product range that would echo the strengths and values of our womenswear offer. We were pleased to see their efforts engender a positive reaction, especially online in 3rd Party E-commerce and also on our own website at newlook.com, where we launched a split home page to help customers find our menswear offer more readily. We also began trialling a new in-store environment for menswear, including a clear 'shop-in-shop' format in our London Oxford Circus store.


£22.99

94%

of New Look employees indicated that our brand values resonate with them

PEOPLE

Acknowledging that our people are critical to realising New Look's growth potential, we strive to attract, develop and retain exceptional talent.

In our stores and support centres throughout Britain and around the globe, our workforce now numbers approximately 16,500 employees – 63% of whom have been with us for more than 12 months. At least 90% of our people responded to our engagement survey (available in 8 languages) this year: 94% indicated that they understand our brand values and 95% confirmed they understand our customer well.

During the year, we have invested circa £4 million, equal to 366,000 development hours, in various training initiatives geared to supporting our people. These included specialist programmes for buying, merchandising and design as well as leadership and the acceleration of high potential talent across our teams. Every New Look sales advisor has been trained on our customer service model, and over 14,000 people have already accessed our highly innovative new interactive e-learning programme since its launch in November 2014. Additionally, to support our global expansion ambitions, we delivered 3,300 hours of language classes for our people in Mandarin, French and German.

As part of our continuing commitment to helping channel talent and skills into great careers, we are proud to support apprenticeships in the workplace. Having extended our successful programme into additional areas of the business including buying, quality control and distribution, we currently have 339 apprentices learning and working with us across a variety of roles. During FY15, 110 apprentices graduated with NVQs from our academy. We have also expanded our links with schools, colleges and universities across the UK and internationally too.

Also during FY15, we introduced a series of reward, recognition and culture initiatives under our #greatplacetowork programme. As a measure of the inclusiveness we seek to promote across all our activities, New Look is the only high street fashion retailer to have joined Stonewall's Diversity Champions good practice programme.

FINANCIAL REVIEW

FINANCIAL REVIEW

Growth in our key segments of UK Retail and E-commerce underpinned our improved performance through FY15, which has seen **Adjusted EBITDA rise by £8.2 million to £212.4 million** for continuing operations.

As one of our key strategic pillars, we continued to invest in our International business with **expansion in China and Europe**. Following our strategic decision to **divest the Mim brand**, we successfully completed the sale in November 2014.

In May 2014, we used our substantial cash balances to prepay **£40.0 million** (including premium) of Payment-In-Kind (PIK) debt and improve our capital structure.

All metrics in the Financial Review represent the Group's Key Performance Indicators. Note that following the disposal of Mim all metrics have been restated to reflect the continuing operations of the Group (i.e. excluding Mim).

REVENUE

Revenue increased by £46.5 million to £1,414.5 million (2014: £1,368.0 million). This increase was driven by the improvement in UK Retail which increased by £14.1 million and the continued growth of our E-commerce business, in which revenues advanced by 34.0% (own website 30.4%), as a result of our continued enhancement in the functionality and content of our website and increasing our delivery options offering. During FY15, we also increased our strategic partnerships with 3rd Party E-commerce partners to 11 (2014: 7) with revenues increasing by 54.5% to £34.0 million (2014: £22.0 million).

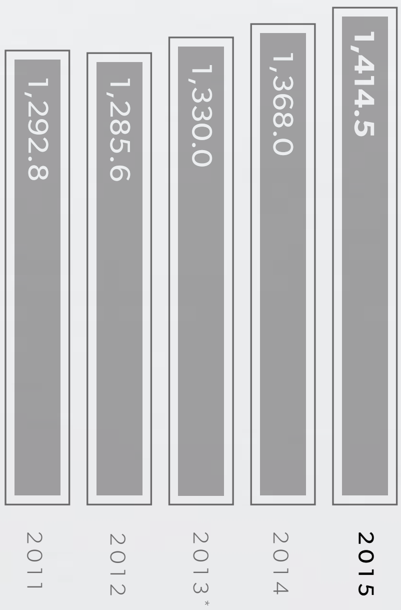
As a key strategic pillar, we have continued to invest in our International business to expand our global reach, particularly in China where we now trade from 19 stores and in Poland, where we have opened a further three stores. However, more challenging trading conditions in our European markets, particularly in France as we look to 'right-size' the portfolio, has resulted in revenue decreasing 2.3%.

Our Franchise segment also saw a decline in revenue, decreasing 23.0%, primarily due to the purchase of the Poland business in February 2014 and our exit of the Russian and Ukrainian markets during FY15.

Our strong product ranges, ongoing improvements to strengthen our product handwriting and brand identity, and the continued roll-out of our store refurbishment programme also helped to drive revenue growth.

Total revenue (£m)

£1,414.5m (+3.4%)



Restated to reflect continuing operations for all comparative periods
* In 2013, on a 52 week basis, Revenue was £1,306.6m

LFL SALES

LFL sales for our continuing operations improved to +4.0% (2014: +2.7%) driven by our continuing multichannel investment in the UK to allow our customers to shop seamlessly across all our channels, both online and in-store.

UK LFL sales (stores and E-commerce) which account for 86.5% of total sales were +5.0% (2014: +3.0%), driven by the benefits of our continuing store refurbishment programme, product development and the continued growth in E-commerce.

Improved spring weather and strong product ranges generated positive footfall across our UK retail stores and as a result strong UK LFL sales for the first quarter of FY15 at +11.6% (2014: +0.4%). However, unseasonably warm weather in September constrained our Autumn/Winter range and drove a decline in footfall which continued into the first half of the third quarter.

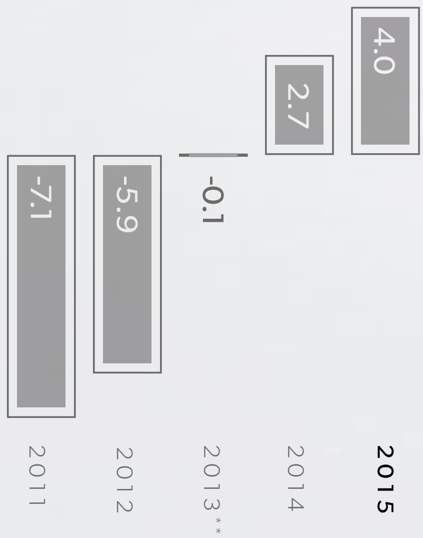
The Christmas period this year was particularly successful as we set new records on peak trading days; Black Friday, Cyber Monday and Boxing Day. Our robust systems and supply chain performed well with the increasing demand as we despatched 60% more orders across the three weeks over Christmas than the previous year. As a result of our increased multichannel offering, on Boxing Day this year, our mobile and tablet participation exceeded desktop for the first time at 56% of sales.

Tough trading conditions across Europe saw LFL sales decline throughout FY15 to -3.9% (2014: +0.2%) with the biggest decline in the third quarter. Actions have been taken to improve the performance in mainland Europe, particularly in France. This includes continuing the store refurbishment programme, identifying new space in favourable locations and exiting unprofitable stores. This was partially offset by a significant increase in LFL sales performance by Republic of Ireland, to +5.7% (2014: -2.0%).

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, 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.

LFL sales (%)

+4.0%



Restated to reflect continuing operations for all comparative periods
* *In 2013, on a 52 week basis, LFL sales were -0.3%

SPACE

During FY15, we continued our focus on optimising our store estate by closing unprofitable stores and relocating to more desirable market locations and as such we had a net decrease of 7 UK stores to 569 (2014: 576).

The roll-out of our concept refurbishment programme has continued this year including two key flagship stores in London Oxford Circus and Westfield Stratford. We also refurbished our Holloway Road store in the concept design sourcing 100% of the fixtures and fittings from China.

We have now converted 291 of our existing stores to the new store format (248 by end of FY14) across all territories and have opened 37 new stores in this format (16 by end of FY14), including 19 in China (5 in FY14) that have our premium concept design which is proving very popular with our Chinese customers.

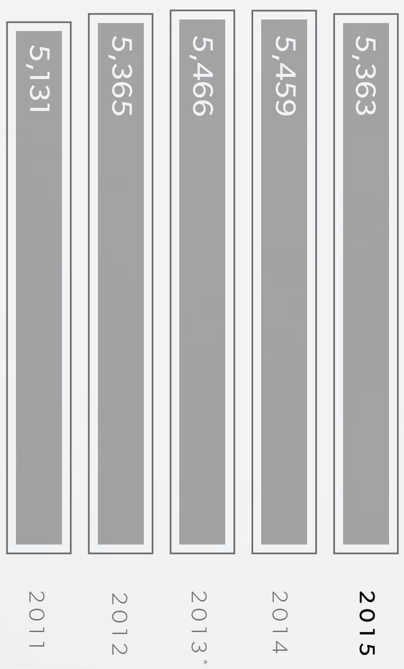
During FY15, we saw a circa 5.3% profit uplift from our concept stores compared to those that have yet to be refurbished.

Also during FY15, we increased the total trading space of our international estate, with New Look owned stores increasing to 772,000 sq ft (2014: 718,000 sq ft). This includes 14 new stores in China, three new stores in Poland and 15 new concession locations in Germany. In France, we opened two new stores during FY15 and we are reviewing the size and locations of our existing stores to support our future growth aspirations in this market (net change in stores was nil).

At the end of FY15, the total number of New Look franchise stores had decreased by 20 to 105 stores (2014: 125 stores) during the year as we exited the Russian and Ukrainian markets.

Space '000 sq ft

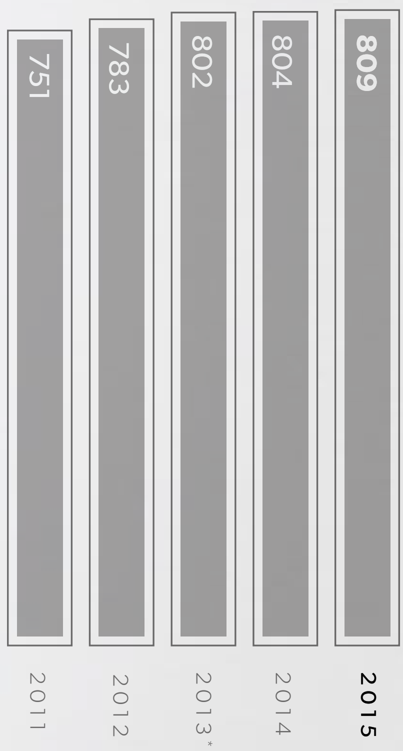
5,363 (-1.7%)



Restated to reflect continuing operations for all comparative periods
*In 2013, on a 52 week basis, Space was 5,466,000 sq ft

Total stores

809 (+0.6%)



Restated to reflect continuing operations for all comparative periods
** In 2013, on a 52 week basis, Total stores were 802.

E-COMMERCE SALES

As a key strategic focus we continue to build our multichannel offering for our customers to give them the ability to allow them to shop seamlessly across all our channels: in our stores, at newlook.com, via our mobile application and through our 3rd Party Partners.

E-commerce sales increased by £50.9 million, or 34.0%, to £200.7 million (2014: £149.8 million). Our E-commerce sales as a percentage of total revenue have increased by 3.2% to 14.2% (2014: 11.0%) on a continuing operations basis. We continued to invest in improving the design, content and functionality of our own website and increased our delivery options offering. This helped to drive strong conversion rates, increase average order values and grow our online traffic, with 15.8% more visits than last year. In September of FY15, we also launched local language websites in French and German.

Of our E-commerce sales in FY15, 28% (2014: 25%) of those were using our Click and Collect service and the Order In Store facility was used for 9% (2014: 9%) of our E-commerce orders.

During FY15, we have increased our 3rd Party E-commerce partnerships to 11 key partners, further increasing our global reach. Sales from 3rd Party E-commerce, at £34.0 million (2014: £22.0 million), have further driven the overall growth in E-commerce sales. These new partnerships give us a route into new territories, providing strong indications that the New Look brand can be successful in these new markets.

GROSS MARGIN

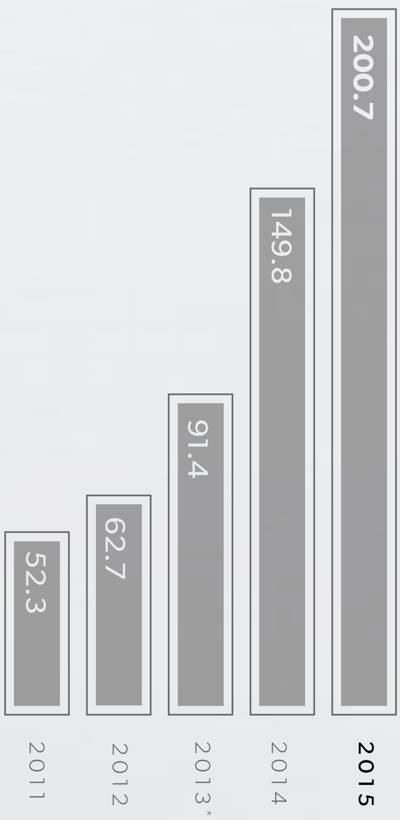
Our gross profit margin decreased by 0.1 percentage points to 52.7% (2014: 52.8%) driven by an increasing mix of E-commerce sales and its inherently lower gross margin, partially offset by strong underlying product margin.

Gross margin for E-commerce includes higher packaging and fulfilment costs than retail and 3rd Party E-commerce sales are made at a lower gross margin. However, in comparison to stores, E-commerce benefits from lower administrative expenses and therefore contributes a higher underlying operating profit margin.

The underlying increase in gross margin was driven by the success of identifying and capitalising on key trends and supporting our best sellers, combined with a targeted approach to promotional activity to protect full price sales in the build up to Christmas despite the heavily promotional environment on the high street. We maintained our mix of full price sales at 80.0% (2014: 80.1%).

E-commerce Sales (£m)

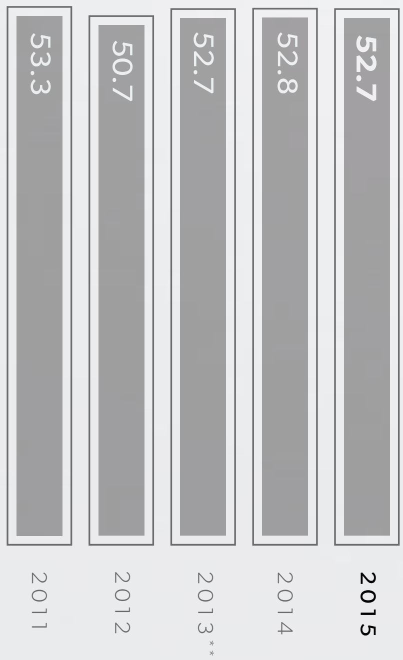
£200.7m (+34.0%)



Restated to reflect continuing operations for all comparative periods
* In 2013, on a 52 week basis, Sales were £89.1m.

Gross margin %

52.7% (-0.1%)



Restated to reflect continuing operations for all comparative periods
** In 2013, on a 52 week basis, Gross margin was 52.5%.

COSTS

We have continued to monitor our costs closely with our cost to revenue ratio improving to 42.2% (2014: 42.8%). Our ongoing focus on areas such as store payroll costs and property negotiations enables further investment in the strategic priorities of the business. As a result, administrative costs increased 2.0% to £596.9 million (2014: £585.2 million) primarily due to the investment in expanding in China and from the purchase of our Polish business in late FY14, as well as movements in exceptional costs, share based payments and fair value on financial instruments discussed further below.

ADJUSTED EBITDA

Adjusted EBITDA increased by £8.2 million, or 4.0%, to £212.4 million (2014: £204.2 million). This was driven by the improved sales performance and continuing cost control.

Adjusted EBITDA, a non IFRS measure, is calculated as underlying operating profit before depreciation of tangible fixed assets and amortisation of intangible fixed assets.

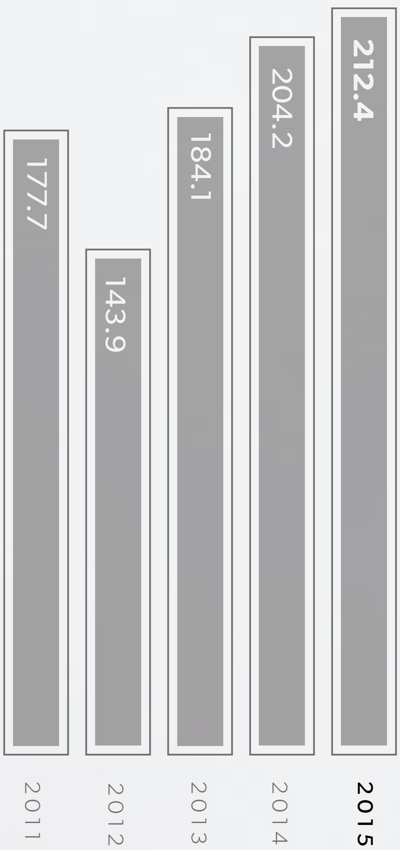
UNDERLYING OPERATING PROFIT

Underlying operating profit increased by £12.2 million to £153.2 million (2014: £141.0 million) reflecting the improved performance of our UK Retail and E-commerce segments.

Underlying operating profit is a non-IFRS measure, and is calculated as operating profit before exceptional items, share based payment expense/credit, the movements in the fair value of financial instruments under IFRS, impairment charge or write back of tangible and intangible assets and the income statement charge/credit in relation to the onerous lease provision. See page 72 for a reconciliation back to Operating Profit.

Adjusted EBITDA (£m)

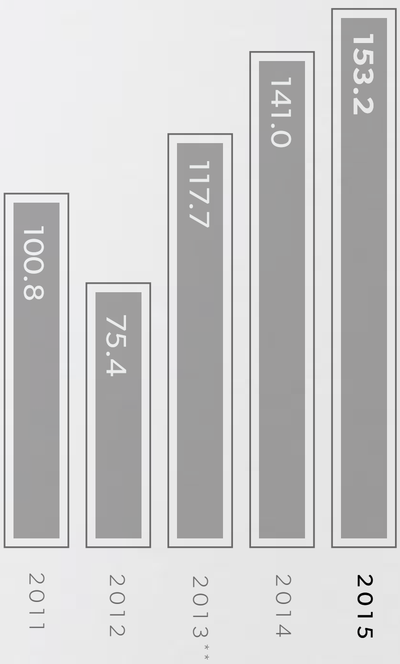
£212.4m (+4.0%)



Restated to reflect continuing operations for all comparative periods
* In 2013, on a 52 week basis, Adjusted EBITDA was £180.7m.

Underlying operating profit (£m)

£153.2m (+8.7%)



Restated to reflect continuing operations for all comparative periods
** In 2013, on a 52 week basis, Underlying operating profit was £114.3m.

PRE-TAX PROFIT

Following the challenging trading performance in Europe, we have recognised a £7.0 million impairment charge (2014: £nil) mainly relating to loss making stores with £1.3 million relating to software following a review of the functionality of existing systems. The operating exceptional charge reflects costs in relation to services and advice to evaluate our capital structure, the unwinding of the remaining purchase price adjustment offset by a gain from final proceeds received in FY15 relating to the purchase of the New Look business in Poland from our franchise partner in the prior period and the provision of costs in respect of settling outstanding obligations following the Board's decision to divest our 50% interest in the joint venture in Turkey.

Our share based payment charge decreased by £9.5 million to a £3.2 million credit (2014: £6.3 million charge) as a result of significant good leaver payments in the prior period and a release of good leaver provisions following clarification on the treatment of leavers on an exit.

Our charge relating to the movements in the fair value of financial investments in the income statement decreased by £5.3 million to a £2.1 million credit (2014: £3.2 million charge) as a result of movements in foreign exchange rates.

Net finance costs decreased by £17.6 million to £98.2 million (2014: £115.8 million). This includes a decrease of £5.3 million in interest on PIK debt following a second prepayment in May 2014 and a £12.5 million increase in the gain on revaluation of our Euro bond. Interest on the GBP, Euro and US dollar bonds decreased slightly due to the annualisation of the financing structure following the refinance in May 2013.

The revaluation loss on the US dollar bond has been mitigated by recycling the equivalent gains from reserves resulting from the fair value movement of the US dollar cross currency derivatives, which are accounted for as a cash flow hedge.

The result for Group continuing operations for FY15 was a pre-tax profit of £50.6 million (2014: profit £20.7 million).

TAXATION

The income statement taxation charge for continuing operations decreased £5.6 million to £1.6 million (2014: £7.2 million).

The significant increase in pre-tax profit was partially offset by the drop in the UK Corporation Tax rate from 23% to 21% and further reduced by a £2.8 million tax credit (2014: £0.6 million tax charge) primarily relating to prior year adjustments to current tax of £5.9 million credit (2014: £3.4 million charge), following the release of a prior year provision held relating to the Employee Share Option Plan Trusts.

The rate of UK Corporation Tax applied to deferred tax balances remained unchanged in the year at 20% compared to the 3% drop in rate resulting in a £5.5 million tax credit in the prior period.

DISCONTINUED OPERATIONS

Following the strategic review undertaken during FY14, the Board determined that the Mim brand was not a strategic focus for the Group and the decision was made to divest the Mim business. In November 2014, the sale of Mim was completed to Main Asia (HK) Limited, an independent company advised by Asia Global.

In FY14 we initiated a turnaround plan for Mim and continued our efforts to improve performance up to the date of disposal.

Mim's result for the 34 weeks to disposal was a profit after tax of £3.9 million (2014: loss of £67.1 million) which included a gain on disposal of the Mim subsidiaries of £7.4 million. The prior period loss included an impairment charge of £64.2 million to write down the value of Mim's net assets.

FREE CASH FLOW

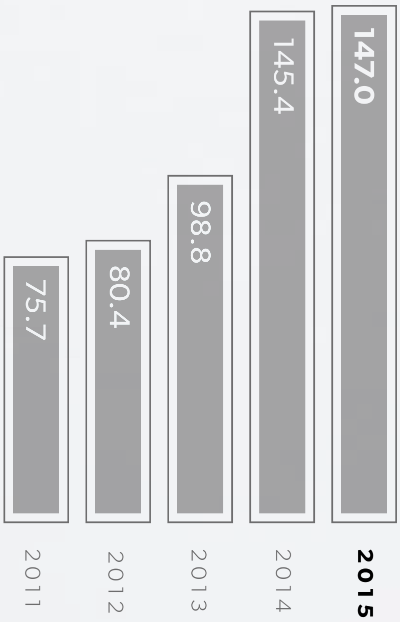
Free cash flow increased by £1.6 million to £147.0 million (2014: £145.4 million). We saw a increase in our free cash flow versus FY14 as a result of increasing underlying operating profit and cash generation and net proceeds received from the sale of Mim, which were partially offset by a greater increase in net capital expenditure. In addition, we invested in year end inventory levels to benefit from an earlier Easter than in the prior year.

In addition, in May 2014 we drew upon our substantial cash balances to prepay a further £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 Group operating activities (pre-tax) less net investing activities. 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.

Free cash flow (£m)

£147.0m (+1.1%)



Restated to reflect continuing operations for all comparative periods.

NET DEBT

Net debt reduced by £7.9 million to £1,037.9 million as at 28 March 2015 (2014: £1,045.8 million) of which £381.0 million (2014: £377.3 million) was PIK notes including £41.3 million (2014: £47.4 million) of deferred interest rolled into the outstanding value of the loan during the period offset by £40.0 million of PIK prepaid (including prepayment premium of £1.2 million) and pre-paid interest of £1.2 million effective on 27 May 2014.

CURRENT TRADING

We continue to invest in our 5 key strategic initiatives; Brand, Multichannel, International, Product and People, together with investment in our distribution and IT infrastructure to enable our growth capabilities.

Whilst consumer confidence is widely reported to be recovering and the market continues to be highly competitive and unpredictable, we remain cautious. We are confident in the New Look brand and we continue to execute our strategy consistently and successfully.

RISKS AND UNCERTAINTIES

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

RISKS & UNCERTAINTIES

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.

Risk Type	Description of Risk	Risk Mitigation
Unfavourable economic conditions	• 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. • Challenge of customer retention following rise in disposable income.	• 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.
Competition	• 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.
Business strategy development and implementation	• 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.
Product design and proposition	• 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.
Sourcing strategy	• 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.
Stock Management	• 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.
Leadership	• 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, Multichannel, International, Product, and People. • Regular reviews of management structure to ensure capability and succession and to identify talent. • Regular, effective performance reviews, leadership assessments, and training and development in place. • The Remuneration Committee ensures appropriate incentive plans are in place.

Risk Type	Description of Risk	Risk Mitigation
Multichannel	• 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.
International expansion	• 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.
IT systems and business continuity	• 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. • Cyber risk of unauthorised or malicious attack.	• 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. • Ongoing PCI compliance for transactional website. • Penetration testing and firewalls.
Warehousing and distribution	• 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 key 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.
Credit risk and liquidity	• 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.
Cost inflation	• 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. • Legislative changes such as minimum wage and business rates increasing 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

New Look is proud to be regarded as a responsible business that strives to operate in an ethical and sustainable manner. We ask all suppliers to sign up to our ethical aims and our teams monitor and support full compliance wherever in the world manufacturing is undertaken for us. FY15 has been marked by fresh insight and a new resolve to increase the positive impact we can make on the safety and livelihoods of workers throughout our global supply chain – while further containing any negative effect our commercial activities may have on the world around us.

CORPORATE SOCIAL RESPONSIBILITY

Determined to do more than ever to drive real and lasting change, we've brought together all our ethical, environmental and animal welfare projects under the single umbrella of Corporate Social Responsibility (CSR).

We aim to build trust and openness right across our supply chain

Our new ethical strategy

We want our business to have a positive impact on all the people it touches; we want to unleash the possibilities of trade to create opportunities, sustain livelihoods and transform lives. We've set a goal of incorporating ethical trade principles within the New Look culture, not merely because sustainability makes good business sense or because our staff, customers and stakeholders expect this of us, but simply because it's the right thing to do.

Our CSR field teams talk to thousands of workers around the world each year about their conditions, needs and aspirations. What they most often hear is the desire for improved wages, greater respect within the workplace, better prospects, and a brighter future for their children. We've made these responses the basis of our new strategy.

Key objectives

We aim to see continuing and sustained improvements in the lives and livelihoods of everybody who makes products for New Look. We support the empowerment of factory workers to raise issues. Through extensive training programmes, we continue to improve systems, enhance management skillsets and raise safety awareness at our suppliers' factories. We also strive to engender trust, transparency and a sense of shared responsibility. But we don't work alone. In pursuit of real and lasting change, we understand the importance of collaborating with other brands, trade unions and NGOs.

Driving workplace improvements

New Look was an early adopter of the Accord on Fire and Building Safety in Bangladesh, and our Senior CSR Manager sits on the Worker Participation Working Group, helping to develop Accord provisions for complaints mechanisms, training programmes, and worker participation on health and safety committees.

In China, our CSR team has been working with factories to introduce systems for tracking working hours and wages. As well as encouraging transparency and enabling us to track improvements in wages over time, these show that workers at a number of our factories already have an average monthly take-home wage that is higher than the Asia Floor Wage. We're still at the early stages of the journey, but during FY15 our work on wages in China reached 18,000 workers.

Throughout FY15, we continued partnering Geosansar in India to open bank accounts and provide financial literacy training, and in Bangladesh our team worked with local NGO Nari Uddug Kendra to provide free eye tests to over 3,000 workers. We also provided training for supervisors at 25 factories in Bangladesh and Cambodia on gender equality and issues related to it.

Empowering workers

Workers in many parts of the world are not able to represent themselves, raise issues, or negotiate with their employers to resolve grievances. Raising awareness of labour rights is an important step, but we aim to go beyond this and empower workers to bring about constructive change in their workplaces. During FY15, we supported the establishment of worker committees at 72 factories across 4 countries. We opened a 'WeChat' text and voice messaging service at 35 factories in China, and we increased workers' knowledge of their labour rights through training at 30 factories in Bangladesh.

Improving factory management systems

We want all factories manufacturing for New Look to have effective systems for monitoring and managing issues such as wages and working hours as well as addressing safety concerns. We need factory managers and supervisors to have the ability, knowledge and tools to resolve workers' issues, and we remain committed to supporting our suppliers with training programmes.

During FY15, we implemented a buddy system on all production lines at 4 factories in India. Additionally, we continued to follow up on key training projects at 30 factories in Bangladesh and India – including RAGS Benefits for Business and Workers and age verification training – to ensure the impact is sustained.

Building shared responsibility

Through sustaining strong relationships with our suppliers, we aim to build trust and openness right across our supply chain – inspiring the many businesses that manufacture New Look products to share our goals.

Our buying teams play a critical role, and we work closely with them to help ensure our ethical aims are fully reflected in the decisions they take and the way they do business. This year we continued our New Look Ethical Champions programme, training over 70 buyers, merchandisers and designers (BMD) on the principles and benefits of ethical trading. Our approach is practical; this training gives BMD the tools to spot potential issues and prevent them happening. By spreading awareness within their departments and among the suppliers with which they work (as well as by ensuring our strategy is reviewed from a commercial perspective), our Ethical Champions are key players in our drive for sustainable change.

New Look and animal welfare

At New Look, we're committed to ensuring no animals are ever harmed in the process of manufacturing or testing our products. The only animal materials we ever use must be by-products of the meat industry and sourced from farms that uphold the UK's FAWC* 'Five Freedoms' code of welfare standards constituting good animal husbandry.

*Farm Animal Welfare Committee

During the year the New Look Foundation donated over £500,000 to various charities

New Look and the environment

Throughout FY15, we maintained our support for the Sustainable Clothing Action Plan (SCAP) 2020 Commitment, pledging to measure and further reduce our environmental footprint. We also started a project to map chemicals used throughout our supply chain. We recognise that our suppliers face wildly varying sets of environmental challenges, depending on location and activity. But we are serious about doing all we can to protect the world around us by conducting business in an environmentally responsible and efficient way that contains waste and conserves natural resources.

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.

This year, we launched a maintenance led re-lamping programme across the store portfolio, where inefficient controls and lamps have been replaced with new more energy efficient models.

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 FY14, the last year for which final data is available, were 70,091 tonnes, an increase of 970 tonnes from FY13.

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, to build skillsets and careers with us and to consulting with and keeping our employees informed on matters of concern and interest

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

We encourage our people to support charities through giving 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 fun initiatives (in our stores and support centres) as quiz nights, sample sales and raffles. During the year, the New Look Foundation donated over £500,000 to various charities.

We've placed particular emphasis this year on supporting young people into the workplace, supporting the Challenge Network's Headstart programme by offering guaranteed interviews at New Look to young people in their programme who have completed over 16 hours of voluntary service, leading to over 20 successful permanent placements into New Look stores. We are also developing our partnership with the Prince's Trust to include participation in the "Get Into Retail" and "Get Into Logistics" programmes that help talented, work-ready young people from less advantageous backgrounds gain skills and employment. Over the next year, we will be inviting our staff to choose New Look's next charity partnerships through a vote, and developing partnerships to empower communities in areas where New Look sources our products.

The Strategic Report presented on pages 21 to 59 is authorised by the Board.

On behalf of the Board,

Anders Kristiansen

CHIEF EXECUTIVE OFFICER

22 May 2015

THE DIRECTORS' REPORT

THE DIRECTORS' REPORT

The Directors present their report and the audited, consolidated financial statements for the 52 weeks ended 28 March 2015.

Directors

The Directors whose details are set out on pages 66 and 67 are the current Directors of the Company.

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

Alistair Miller, who was appointed to the Board as the Chief Financial Officer of the Group in March 2008, resigned on 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, resigned from the Board on 31 May 2014.

Paul Mason was appointed Non-Executive Chairman of the Board on 16 September 2014.

Mike Iddon was appointed Chief Financial Officer of the Group on 22 September 2014.

Tom Singh ceased to be Commercial Director and was appointed Interim Non-Executive Chairman, following the departure of Alistair McGeorge, effective 31 May 2014. He subsequently became Non-Executive Director, following the appointment of Paul Mason.

Christian Bamberger Bro, who was appointed to the Board on 18 December 2013, resigned from the Board on 22 July 2014, replaced by Erik Nyborg.

Tripp Lane, who was appointed to the Board on 23 March 2010, resigned from the Board on 4 March 2015, replaced by Stefano Giambelli.

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.

Events after the reporting period

On 14 May 2015, the Group and its ultimate controlling parties, Apax and Permira signed a Share Sale and Purchase Agreement with Brait SE, an investment Group based in South Africa, to sell circa 90% of the ordinary share capital of New Look Retail Group Limited. Tom Singh as Founder and senior management shareholders will acquire the remaining circa 10%. Completion of the sale is expected to be in June 2015.

As permitted under the PIK facility agreement dated 14 May 2013, New Look Finance II Plc gave notice to debt investors on 8 May 2015 that the Group intended to prepay an amount of the PIK debt equal to a principal amount of £36.7 million plus accrued interest of £1.0 million and a redemption premium of £2.3 million. The prepayment was settled on 14 May 2015.

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 28 March 2015 were 57 days (2014: 51 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 (2014: £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 seven reports, the seventh of which was issued in December 2014. This annual 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

22 May 2015

* Group measure including discontinued operations

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for 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

22 May 2015

THE BOARD

Our Board of Directors have a wealth of knowledge and industry experience.

Paul Mason

Non-Executive Chairman

Appointed to the Board as Non-Executive Chairman in September 2014, Paul Mason is a prominent figure in the retail industry. Paul brings substantial UK and international retail experience. His extensive track record over the past 30 years includes roles as CEO of Somerfield, EMA President of Levi Strauss, CEO of Matalan and President and CEO of Asda-Walmart. Paul is also Chairman of Cath Kidston and the Mayborn Group.

Anders Kristiansen

Chief Executive

Anders Kristiansen joined the New Look Group in January 2013 as Chief Executive. He previously lived in Europe and Asia where he held various senior positions over the prior 17 years. Anders' previous roles included Vice Chief Executive of Bestseller Fashion Group in China. Before this he was Senior Vice President of Staples Inc. and before that he was at Lyreco office supplies company where he was Managing Director Asia Pacific and formerly Managing Director Europe. Prior to this he held senior positions at Herlitz and GBC Corp.

Mike Iddon

Chief Financial Officer

Mike joined New Look from Tesco PLC in September 2014 where he was Group Planning, Treasury and Tax Director. Mike has considerable experience in the retail sector. He held a number of senior positions during his 13 year career at Tesco PLC, such as UK Finance Director and a member of the UK Leadership team from 2009 to 2012, Finance Director of Tesco South Korea, Group Property Finance Director and Non Food Finance Director. Prior to joining Tesco PLC, Mike held senior positions at Kingfisher PLC and Whitbread PLC. Mike is a qualified Chartered Accountant and has completed the Advanced Management Programme at Harvard Business School.

Tom Singh

Non-Executive Director

Tom Singh founded the New Look business in 1969 and had overall responsibility for New Look's 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 and in 2014 stepped into the role of Interim Non-Executive Chairman. He subsequently became Non-Executive Director, following the appointment of Paul Mason.

Torsten de Santos

Non-Executive Director

Torsten is Chief Executive Officer of Rianta Capital, a family office and investment advisory firm based in Zurich and London. Prior to joining Rianta in 2013, Torsten was CEO of LGT Capital Management, a director at Barclays Capital and an Executive Director with Goldman Sachs. Torsten holds a master's degree in International Management and B.Sc. in Mathematics and Physics.

Stefano Giambelli

Non-Executive Director

Stefano Giambelli is a Principal in the Consumer team at Apax. He is currently based in London after having worked in the Milan office since joining Apax in 2008. His Apax deal experience includes Sisal, New Look and Farmafactoring. Prior to joining Apax Partners, Stefano was an Associate at BC Partners and an Investment Banking Analyst at Merrill Lynch. Stefano holds an MBA from The Wharton School of the University of Pennsylvania and a degree in Economics from Università Commerciale "Bocconi" in Milan.

Martin Halusa

Non-Executive Director

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

Mike Garland

Non-Executive Director

Mike is a Partner of Permira based in London. He leads the Permira Portfolio Group and has worked extensively with the portfolio, including serving on many of the 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. Mike has a degree in Mechanical Engineering from the University of Southampton, England, and is a Chartered Accountant.

Erik Nyborg

Non-Executive Director

Erik joined the Permira Nordic office in 2012. He works across all sectors with a primary focus on the Nordic region. Erik has worked on a number of transactions including Pharmaq and New Look.Prior to joining Permira, Erik worked at Davidson Kempner Capital Management in New York where he focused on investment opportunities in distressed debt. Previously, he worked in the Investment Banking Division at Bank of America. Erik holds a BSc in Economics from the Wharton School at the University of Pennsylvania, USA, and a MBA from INSEAD, France.

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, New Look Retail Group Limited's group financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's affairs as at 28 March 2015 and of its profit and cash flows for the 52 week period (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.

What we have audited

New Look Retail Group Limited's financial statements comprise:

- the Consolidated Balance Sheet as at 28 March 2015;
- the Consolidated Income Statement and Consolidated Statement of Comprehensive Income for the period then ended;
- the Consolidated Statement of Changes in Equity for the period then ended;
- the Consolidated Statement of Cash Flows for the period then ended; and
- the Notes to the Group Financial Statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements 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.

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 65, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("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.

What an audit of financial statements involves

We conducted our audit in accordance with 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Accounts 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.

Other matter

We have reported separately on the Company financial statements of New Look Retail Group Limited for the 52 week period ended 28 March 2015.

Rosemary Shapland

Rosemary Shapland
(SENIOR STATUTORY AUDITOR)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors, Southampton
22 May 2015

New Look Retail Group Limited Consolidated Income Statement

		For the financial periods	
		52 weeks ended 28 March 2015	52 weeks ended 29 March 2014
			Restated*
	Notes	£m	£m
Continuing operations			
Revenue	5, 6	1,414.5	1,368.0
Cost of sales		(668.7)	(645.9)
Gross profit		745.8	722.1
Administrative expenses		(596.9)	(585.2)
Operating profit	7	148.9	136.9
Finance income	9	16.8	7.7
Finance expense	9	(115.0)	(123.5)
Share of post tax loss from joint venture	15	(0.1)	(0.4)
Profit before taxation		50.6	20.7
Taxation	11	(1.6)	(7.2)
Profit from continuing operations		49.0	13.5
Discontinued operations			
Profit/(loss) from discontinued operations	17	3.9	(67.1)
Profit/(loss) attributable to the owners of New Look Retail Group Limited	34	52.9	(53.6)

* The comparative period has been restated to present discontinued operations. For furher details see note 2.

The notes on pages 77 to 124 are an integral part of these consolidated financial statements.

New Look Retail Group Limited
Consolidated Statement of Comprehensive Income

	Notes	For the financial periods 52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 £m
Profit/(loss) for the financial period		**52.9**	(53.6)
Other comprehensive income/(expense):			
Items that will not be reclassified to profit or loss:			
Actuarial gain on post–employment benefit obligations	36	**0.1**	—
Items that may be subsequently reclassified to profit or loss:			
Cash flow hedges	27, 34	**38.0**	(28.2)
Exchange differences on translation of foreign operations	34	**(7.0)**	(2.4)
Tax on currency translation differences	11, 34	**—**	0.3
Tax on cash flow hedges	11, 34	**(8.2)**	6.6
Items that have been reclassified to profit or loss:			
Disposal of discontinued operations	34	**1.7**	—
Other comprehensive income/(expense) for the period, net of tax		**24.6**	(23.7)
Total comprehensive income/(expense) for the period		**77.5**	(77.3)

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

The notes on pages 77 to 124 are an integral part of these consolidated financial statements.

Underlying operating profit is calculated as follows:

	Notes	For the financial periods 52 weeks ended 28 March 2015 £m	52 weeks ended 29 March 2014 Restated £m
Continuing operations			
Operating profit		**148.9**	136.9
Add back/(deduct):			
Exceptional items	10	**6.8**	(7.0)
Share based payment (credit)/expense	32	**(3.2)**	6.3
Fair value movement of financial instruments	27	**(2.1)**	3.2
Impairment charge of tangible and intangible assets	13, 14	**7.0**	–
Onerous lease (credit)/charge		**(4.2)**	1.6
Underlying operating profit from continuing operations	5	**153.2**	141.0
Discontinued operations			
Operating loss	17	**(2.7)**	(75.7)
Add back/(deduct):			
Operating exceptional items	10	**(0.6)**	9.7
Impairment charge of tangible and intangible assets	13, 14	**0.1**	55.1
Onerous lease (credit)/charge		**(0.6)**	0.8
Underlying operating loss from discontinued operations	5	**(3.8)**	(10.1)
Group underlying operating profit	5	**149.4**	130.9

New Look Retail Group Limited Consolidated Balance Sheet

	Notes	As at 28 March 2015 £m	29 March 2014 £m
Non–current assets			
Property, plant and equipment	13	136.9	149.6
Intangible assets	14	695.6	703.0
Available for sale financial assets	18	—	0.3
Other receivables	20	19.5	27.4
Derivative financial instruments	21	5.4	—
Deferred income tax assets	11	21.4	27.0
		878.8	907.3
Current assets			
Inventories	19	148.2	138.1
Trade and other receivables	20	80.0	64.6
Income tax assets		2.9	—
Derivative financial instruments	21	24.5	0.3
Cash and cash equivalents	22	127.1	111.1
		382.7	314.1
Total assets		1,261.5	1,221.4
Current liabilities			
Trade and other payables	23	(265.2)	(255.4)
Derivative financial instruments	25	(0.7)	(17.2)
Provisions	30	(2.1)	(4.4)
Income tax liabilities		—	(9.0)
		(268.0)	(286.0)
Non–current liabilities			
Deferred income and other payables	23	(70.1)	(86.5)
Financial liabilities	24	(1,165.0)	(1,156.9)
Derivative financial instruments	25	(0.1)	(11.8)
Provisions	30	(4.8)	(10.4)
Deferred income tax liabilities	11	(66.7)	(61.1)
		(1,306.7)	(1,326.7)
Total liabilities		(1,574.7)	(1,612.7)
Net liabilities		(313.2)	(391.3)

New Look Retail Group Limited
Consolidated Balance Sheet (continued)

		As at	
		28 March 2015	29 March 2014
	Notes	**£m**	£m
Equity attributable to the owners of New Look Retail Group Limited			
Share capital	33	**10.4**	10.4
Share premium	33	**0.6**	0.6
Treasury shares	33	**(23.2)**	(23.3)
Other reserves	34	**19.7**	(4.8)
Reverse acquisition reserve	34	**(285.3)**	(285.3)
Accumulated losses	34	**(35.4)**	(88.9)
Total equity		**(313.2)**	(391.3)

The notes on pages 77 to 124 are an integral part of these consolidated financial statements.

The financial statements on pages 71 to 124 were authorised for issue by the Board of Directors on 22 May 2015 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

		Attributable to the shareholders of New Look Retail Group Limited					
		Share capital	Share premium	Treasury shares	Other reserves	Accumulated losses	Total equity
	Notes	£m	£m	£m	£m	£m	£m
Balance at 30 March 2013	33,34	10.4	0.6	(21.9)	(266.4)	(36.6)	(313.9)
Comprehensive expense							
Loss for the financial period	34	—	—	—	—	(53.6)	(53.6)
Other comprehensive income and expense							
Exchange differences on translation of foreign companies	34	—	—	—	(2.4)	—	(2.4)
Movements in hedged financial instruments	34	—	—	—	(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	34	—	—	—	—	(0.1)	(0.1)
Purchase of treasury shares	33	—	—	(1.4)	—	1.4	—
Total transactions with owners		—	—	(1.4)	—	1.3	(0.1)
Balance at 29 March 2014	33, 34	10.4	0.6	(23.3)	(290.1)	(88.9)	(391.3)
Comprehensive income							
Profit for the financial period	34	—	—	—	—	52.9	52.9
Other comprehensive income and expense							
Exchange differences on translation of foreign companies	34	—	—	—	(7.0)	—	(7.0)
Movements in hedged financial instruments	34	—	—	—	38.0	—	38.0
Tax on items recognised directly in equity	11	—	—	—	(8.2)	—	(8.2)
Actuarial gain on post–employment benefit obligations	36	—	—	—	—	0.1	0.1
Disposal of discontinued operations	11, 34	—	—	—	1.7	—	1.7
Total other comprehensive income and expense		—	—	—	24.5	0.1	24.6
Total comprehensive income		—	—	—	24.5	53.0	77.5
Transactions with owners:							
Employee share option scheme:							
– value of employee services	34	—	—	—	—	0.2	0.2
Purchase of treasury shares	33	—	—	(0.3)	—	0.3	—
Disposal of treasury shares		—	—	0.4	—	—	0.4
Total transactions with owners		—	—	0.1	—	0.5	0.6
Balance at 28 March 2015	33, 34	10.4	0.6	(23.2)	(265.6)	(35.4)	(313.2)

The notes on pages 77 to 124 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 28 March 2015	52 weeks ended 29 March 2014
	Notes	£m	£m
Cash flows from operating activities			
Operating profit		148.9	136.9
Depreciation of property, plant and equipment		48.0	53.3
Impairment of property, plant and equipment		4.7	(0.6)
Amortisation and impairment of intangible assets		13.5	10.5
Write back of impairment loss on investment in joint venture		(0.1)	(0.1)
Loss / (gain) on disposal of property, plant and equipment and intangible assets		0.1	(9.0)
Net gain on acquisition of foreign subsidiary		(0.6)	(2.9)
Share based payment (credit) / expense		(3.2)	6.3
Fair value (gains) / losses on financial instruments		(2.1)	3.2
Foreign exchange losses on operating activities		1.4	1.2
Amortisation of lease inducements		(11.9)	(11.5)
(Increase) / decrease in inventories		(27.8)	1.4
(Increase) / decrease in trade and other receivables		(12.3)	2.4
Increase / (decrease) in trade and other payables		40.1	(10.1)
Decrease in provisions		(6.3)	(1.4)
Income taxes paid		(10.3)	(5.4)
Disposal of treasury shares		0.4	–
Purchase of treasury shares		(0.3)	(1.4)
Net cash flow from operating activities (continuing operations)		182.2	172.8
Net cash flow from operating activities (discontinued operations)		(4.7)	1.6
Cash flows from investing activities			
Purchase of property, plant and equipment		(42.6)	(39.3)
Purchase of intangible assets		(17.7)	(9.6)
Proceeds from sale of property, plant and equipment		–	16.2
Proceeds from disposal of subsidiaries		14.2	–
Acquisition of foreign subsidiary (net of cash acquired)		0.6	(0.1)
Net cash flow from investing activities (continuing operations)		(45.5)	(32.8)
Net cash flow from investing activities (discontinued operations)		(4.3)	(3.8)
Cash flows from financing activities			
Interest paid		(70.2)	(48.6)
Interest received		0.3	0.4
Repayment of borrowings		(37.6)	(880.7)
Proceeds from issuance of bonds		–	789.9
Net (investment in)/withdrawal from discontinued operations		(2.7)	0.5
Net cash flow from financing activities (continuing operations)		(110.2)	(138.5)
Net cash flow from financing activities (discontinued operations)		2.7	(0.5)
Net increase/(decrease) in cash and cash equivalents	22	20.2	(1.2)
Opening cash and cash equivalents	22	111.1	113.6
Exchange losses on cash and cash equivalents	22	(4.2)	(1.3)
Closing cash and cash equivalents	22	127.1	111.1

The notes on pages 77 to 124 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 28 March 2015 were authorised for issue by the Board of Directors ("the Board") on 22 May 2015 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 Financing 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.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

On 22 November 2014, the Group fully disposed of Mim SAS, Mim Belgique and SCI Geometry Properties France ("Mim" – part of the International segment) to Main Asia (HK) Limited, an independent company advised by Asia Global (see note 17). The result of the disposal group for the period to the date of disposal has been reported as discontinued operations in the profit for the period. The result of the disposal group for the period ended 29 March 2014 has been reported as discontinued operations in the profit for that period, and as such the results for the period ended 29 March 2014 have been restated.

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.

2.1.2 Changes in accounting policy and disclosures

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

IAS 32 and IFRS 7 (amendment) 'Financial instruments on asset and liability offsetting' – 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, plus amendments to IFRS 7 to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. This amendment does not have a material impact on the Group's financial statements.

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. This amendment does not have a material impact on the Group's 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 rights and obligations rather than legal form. This revision does not have a material impact on the Group's financial statements.

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 interest in other entities. This revision does not have a material impact on the Group's 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'. This revision does not have a material impact on the Group's financial statements.

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. This amendment does not have a material impact on the Group's financial statements.

IAS 36 (amendment) 'Impairment of assets' – effective for accounting periods beginning on or after 1 January 2014. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if the recoverable amount is based on fair value less costs of disposal. Disclosures relating to the recoverable amounts of impaired assets will be included in the Group's financial statements.

IAS 39 (amendment) 'Financial instruments: Recognition and measurement' on novation of derivatives and hedge accounting – effective for accounting periods beginning on or after 1 January 2014. These narrow–scope amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. This amendment does not have a material impact on the Group's financial statements.

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.

IFRS 9 'Financial instruments' (amendment) on general hedge accounting – effective for accounting periods beginning on or after 1 January 2018. These amendments to IFRS 9, 'Financial instruments', bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements.

IFRS 9 'Financial instruments' on classification and measurement of financial assets – effective for accounting periods beginning on or after 1 January 2018. This is part of the new standard that will replace IAS 39 and will have two measurement categories for financial assets: amortised cost and fair value.

IFRS 9 'Financial instruments' on classification and measurement of financial liabilities – effective for accounting periods beginning on or after 1 January 2018. This is the addition to IFRS 9 for dealing with financial liabilities and replacing IAS 39.

IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates' (amendments) – effective for accounting periods beginning on or after 1 January 2016. These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 dealing with the sale or contribution of assets between an investor and its associate or joint venture, and clarify the application of the consolidation exception for investment entities and their subsidiaries.

IFRS 11 'Joint arrangements' (amendment) on acquisition of an interest in a joint operation – effective for accounting periods beginning on or after 1 January 2016. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business.

IAS 1 'Presentation of financial statements' on the disclosure initiative – effective for accounting periods beginning on or after 1 January 2016. These amendments are as part of the IASB initiative to improve presentation and disclosure in financial reports.

IAS 16 'Property, plant and equipment' and IAS 38 'Intangible Assets', on depreciation and amortisation – effective for accounting periods beginning on or after 1 January 2016. This amendment clarifies the use of revenue–based methods to calculate the depreciation of an asset.

IAS 19 'Employee benefits' (amendment) on defined benefit plans – effective for accounting periods beginning on or after 1 July 2014. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans to simplify the accounting for contributions that are independent of the number of years of employee service.

IFRS 15 'Revenue from contracts with customers' – effective for accounting periods beginning on or after 1 January 2017. This standard will replace IAS 18 and IAS 11 and is based on a single model that distinguishes between promises to a customer that are satisfied at a point in time and those that are satisfied over time.

IAS 27 'Separate financial statements' (amendment) – effective for accounting periods beginning on or after 1 January 2016. This amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

Annual improvements 2014 – effective for accounting periods beginning on or after 1 January 2016.

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 Company has control. The Group controls an entity when the Group is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns with its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. Subsidiaries are de–consolidated from the date that control ceases. When the Group ceases to have control, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

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 are 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 applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has an investment in a joint arrangement which is jointly controlled through a separate legal entity. The Group has assessed the nature of its joint arrangement and determined it to be a joint venture. Joint ventures are accounted for 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 received and 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:

- 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 on a straight-line basis 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.

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.

2.5 Cost of sales

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

Also included are volume based performance rebate income from suppliers. These rebates are recognised when a rachet level will be met. The amount of rebate recognised is the proportion of the total rebate due based on actual volumes achieved in the year.

2.6 Finance income and expense

Interest income and expense 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 operating profit reconciliation as exceptional items. The separate reporting of exceptional items helps provide an indication of the Group's underlying business performance.

Items 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, 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 or losses on acquisition or disposal 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 Mercery 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 except when deferred in other comprehensive income as qualifying cash flow hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within finance income and finance expense.

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.

Subsequent costs 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.

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.

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 or more frequently if events or changes in circumstances indicate a potential 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 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
Trademarks and licences	Indefinite
Recoverable leasehold property premiums	Indefinite
Software licences	1 to 5 years

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, cash generating units (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.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents the assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

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 were classified as available for sale and are stated at their historic cost less any impairment. They were previously included in non–current assets since management did not intend to dispose of the investments within 12 months of the balance sheet date. The investment was disposed of as part of the Mim divestment.

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) incurred in bringing inventories to their current location and condition and an attributable proportion of distribution overheads.

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 relevant to the financial period.

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 subsidiary is 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.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in equity in other comprehensive income or expense in the period in which they arise.

(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.

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, the 2008 Share Plan and the 2014 Option 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. The 2006 Option Plan is accounted for as a cash–settled scheme on the basis that employees may exercise their options for cash settlement now that they are fully vested prior to an exit.

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. For the 2008 Share Plan, in anticipation of a potential exit event, management modified the scheme rules to accelerate all vesting on an exit event. The result of the modification accelerated the recognition of the fair value charge to the income statement during the current financial period.

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. Under the 2014 Option Plan, 'Good Leavers' retain vested amounts until exit.

'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 recognised as a prepayment and 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 the income statement on a straight–line basis over the lease term. Capital contributions from landlords are reflected as lease incentives in the same way.

Recoverable leasehold property premiums are capitalised on the balance sheet within intangible assets. The assets are not subject to annual amortisation because they are deemed to be recoverable and instead they are subject to annual impairment reviews.

Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and the finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

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–IFRS measure referred to as underlying operating profit. Management consider that underlying operating profit reflects the trading performance of the Group. Underlying operating profit is operating profit before exceptional items, share based payment expense or credit, the movements in fair value of financial instruments under IFRS, the impairment charge or write back of tangible and intangible assets and the income statement charge or credit in relation to the onerous lease provision.

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 in order to meet operational needs. 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 (2014: £75.0 million), an overdraft limit of £5.0 million (2014: £5.0 million) and cash and short–term deposits (note 22) 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 28 March 2015, 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 28 March 2015, if Sterling had weakened by 5.0% against the Euro with all other variables held constant, post–tax gain (2014: loss) for the period would have been £3.8 million lower (2014: £6.2 million higher), mainly as a result of the translation of Euro denominated bonds partially offset by the translation of Euro cash balances held; post-tax decrease (2014: increase) in shareholders' equity would have been £1.7 million higher (2014: £3.2 million higher) due to the consolidation of net assets and liabilities of foreign subsidiaries with their functional currency as Euro.

During the period ended 28 March 2015, if Sterling had weakened by 5.0% against the US dollar with all other variables held constant, post–tax gain (2014: loss) for the period would have been £2.1 million lower (2014: £1.3 million higher), mainly as a result of revaluation of overseas trade creditors; post–tax increase (2014: decrease) in shareholders' equity would have been £14.7 million (2014: £14.6 million) higher as a result of the movement in forward currency contracts.

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.

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.
- Currency derivatives are not exposed to interest rate risks and are therefore not included in the interest rate sensitivity calculations.

During the period ended 28 March 2015, if interest rates on cash and cash equivalent deposit balances had been 100 basis points higher (2014: 100 bp) with all other variables held constant, post–tax gain (2014: loss) for the period would have been £0.5 million higher (2014: £0.4 million lower), mainly as a result of an increase in interest income on floating rate deposits; post–tax movement in equity would be unaffected (2014: £0.6 million higher) as a result of no movement in cash flow hedges.

During the period ended 28 March 2015, if interest rates on Euro denominated borrowings had been 100 basis points higher (2014: 100 bp) with all other variables held constant, post–tax gain (2014: loss) for the period would have been unaffected (2014: unaffected) 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 ongoing 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.

As a result of the refinancing on 14 May 2013, the quarterly debt covenant reporting requirements were ceased. New covenant measures commenced on 30 June 2014. There were no breaches of the new covenants up to 28 March 2015. For further details on the refinancing transaction see note 29.

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 28 March 2015, net debt was £1,037.9 million (2014: £1,045.8 million), see note 28.

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 in note 2.11. 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) Estimated impairment of intangible assets with finite lives

The Group tests whether intangible assets with finite lives have suffered any impairment in accordance with the accounting policy in note 2.11. The recoverable amounts or cash-generating units have been determined based on the higher of value in use or fair value less costs to sell. These calculations require the use of estimates as detailed in note 14.

(c) 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 liabilities for anticipated tax issues 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, as presented in note 11.

(d) Share based payments

The share based payment expense or income is recognised in each period as it is incurred, based on a fair value model, and estimates of the likely future cash payments to Good Leavers. The key assumptions of this model for each scheme are presented in note 32.

(e) 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.

(f) 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.

(g) 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.

(h) Inventory provisions

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

(i) 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. See note 2.7 for a description of exceptional items.

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, unrealised gains/losses on financial instruments, the impairment charge or write back of tangible and intangible assets and the income statement charge or credit in relation to the onerous lease provision. 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.

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

	For the financial periods	
	52 weeks ended 28 March 2015	52 weeks ended 29 March 2014
		Restated
	£m	£m
External revenue		
Continuing operations		
New Look brand		
– UK Retail	**1,048.4**	1,034.3
– E–commerce	**200.7**	149.8
– International	**149.1**	152.6
– Franchise	**46.1**	59.9
Total New Look brand	**1,444.3**	1,396.6
Adjustment to state concession income on a net basis for statutory reporting purposes	**(29.8)**	(28.6)
Total external revenue from continuing operations	**1,414.5**	1368.0
Discontinued operations		
Mim brand – owned stores	**98.0**	160.8
Total Group external revenue	**1,512.5**	1,528.8

	For the financial periods	
	52 weeks ended 28 March 2015	52 weeks ended 29 March 2014
		Restated
	£m	£m
External revenue		
Continuing operations		
UK	**1,249.1**	1,184.1
International	**195.2**	212.5
Segmental gross transactional value	**1,444.3**	1,396.6
Adjustment to state concession income on a net basis for statutory reporting purposes	**(29.8)**	(28.6)
Total external revenue from continuing operations	**1,414.5**	1,368.0
Discontinued operations		
International	**98.0**	160.8
Total Group external revenue	**1,512.5**	1,528.8

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.

5. Segment information (continued)

	For the financial periods	
	52 weeks ended 28 March 2015	52 weeks ended 29 March 2014 Restated
	£m	£m
Underlying operating profit		
Continuing operations		
New Look brand		
– UK Retail	110.6	97.3
– E–commerce	45.3	35.2
– International	(9.5)	1.0
– Franchise	6.8	7.5
Total underlying operating profit from continuing operations	153.2	141.0
Discontinued operations		
Mim brand – owned stores	(3.8)	(10.1)
Total Group underlying operating profit	149.4	130.9

	For the financial periods	
	52 weeks ended 28 March 2015	52 weeks ended 29 March 2014 Restated
	£m	£m
Underlying operating profit		
Continuing operations		
UK	155.9	132.5
International	(2.7)	8.5
Total underlying operating profit from continuing operations	153.2	141.0
Discontinued operations		
International	(3.8)	(10.1)
Total Group underlying operating profit	149.4	130.9

Underlying operating profit is defined in note 2.23 and is reconciled to operating profit on page 72.

	For the financial periods	
	52 weeks ended 28 March 2015	52 weeks ended 29 March 2014 Restated
	£m	£m
Capital expenditure		
Continuing operations		
New Look brand		
– UK Retail	50.4	44.2
– E–commerce	3.3	2.5
– International	8.1	7.5
– Franchise	—	—
Total capital expenditure from continuing operations	61.8	54.2
Discontinued operations		
Mim brand – owned stores	1.6	4.3
Total Group capital expenditure	63.4	58.5

	For the financial periods	
	52 weeks ended 28 March 2015	52 weeks ended 29 March 2014
		Restated
	£m	£m
Capital expenditure		
Continuing operations		
UK	53.7	46.7
International	8.1	7.5
Total capital expenditure from continuing operations	61.8	54.2
Discontinued operations		
International	1.6	4.3
Total Group capital expenditure	63.4	58.5

	For the financial periods	
	52 weeks ended 28 March 2015	52 weeks ended 29 March 2014
		Restated
	£m	£m
Depreciation and amortisation		
Continuing operations		
New Look brand		
– UK Retail	47.5	52.2
– E–commerce	4.5	4.7
– International	7.2	6.3
– Franchise	—	—
Total depreciation and amortisation from continuing operations	59.2	63.2
Discontinued operations		
Mim brand – owned stores	0.6	6.1
Total Group depreciation and amortisation	59.8	69.3

	For the financial periods	
	52 weeks ended 28 March 2015	52 weeks ended 29 March 2014
		Restated
	£m	£m
Depreciation and amortisation		
Continuing operations		
UK	52.0	56.9
International	7.2	6.3
Total depreciation and amortisation from continuing operations	59.2	63.2
Discontinued operations		
International	0.6	6.1
Total Group depreciation and amortisation	59.8	69.3

5. Segment information (continued)

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:

	For the financial periods	
	52 weeks ended 28 March 2015	52 weeks ended 29 March 2014
		Restated
	£m	£m
External revenue		
Continuing operations		
United Kingdom	1,199.6	1,142.5
France	59.4	67.9
Rest of Europe	106.3	113.0
Middle East	33.0	35.3
Rest of World	16.2	9.3
Total external revenue from continuing operations	1,414.5	1,368.0
Discontinued operations		
France	96.9	158.6
Rest of Europe	1.1	2.2
Total Group external revenue	1,512.5	1,528.8

	For the financial periods	
	52 weeks ended 28 March 2015	52 weeks ended 29 March 2014
		Restated
	£m	£m
Non–current assets		
United Kingdom	805.1	772.0
France	17.7	74.1
Rest of Europe	26.6	33.1
Rest of World	2.6	0.8
	852.0	880.0

6. Revenue

	For the financial periods	
	52 weeks ended 28 March 2015	52 weeks ended 29 March 2014
		Restated
	£m	£m
Continuing operations		
Sale of goods	**1,389.3**	1,344.2
Rental income	**1.6**	1.8
Store card arrangement fees	**2.7**	2.8
Franchise royalty income	**0.4**	0.4
Concession income (net)	**20.5**	18.8
Total external revenue from continuing operations	**1,414.5**	1,368.0
Discontinued operations		
Sale of goods	**98.0**	160.8
Total Group external revenue	**1,512.5**	1,528.8

Included within rental income is contingent rent of £0.5 million (2014: £0.5 million).

7. Operating profit

	For the financial periods	
	52 weeks ended 28 March 2015	52 weeks ended 29 March 2014
		Restated
	£m	£m
Group operating profit from continuing operations is stated after charging/ (crediting):		
Staff costs (note 8a)	**192.6**	196.7
Depreciation of property, plant and equipment	**48.0**	53.3
Impairment loss / (reversal) of property, plant and equipment	**4.7**	(0.6)
Amortisation of intangible assets	**11.2**	9.9
Impairment loss of intangible assets	**2.3**	0.6
Impairment reversal of investment in joint venture	**(0.1)**	(0.1)
Amortisation of lease incentives	**(6.6)**	(6.3)
Gain on disposal of property, plant and equipment	**—**	(9.5)
Loss on disposal of intangible assets	**0.1**	0.5
Operating lease charges:		
– Minimum lease payments	**160.5**	156.7
– Contingent rent payments	**—**	0.2
Net foreign exchange differences	**3.8**	(1.9)
Cost of inventories recognised as an expense through cost of sales	**572.6**	566.0
Write down of inventories to net realisable value through cost of sales	**23.4**	14.9
Auditors' remuneration:		
Fees payable to the company's auditor for the audit of the Group and parent company	**0.3**	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	**0.3**	0.6
– Other assurance services	**0.8**	0.3
– All other services	**0.5**	0.8

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

8a. Staff costs

	For the financial periods	
	52 weeks ended 28 March 2015	52 weeks ended 29 March 2014
		Restated
	£m	£m
Continuing operations		
Wages and salaries	179.9	174.0
Social security costs	14.0	13.9
Other pension costs (note 36)	2.2	2.5
	196.1	190.4
Share based payment (credit)/expense (note 32)	(3.2)	6.3
	192.9	196.7
Discontinued operations		
Staff costs	23.8	38.2
	216.7	234.9

In addition to the above, costs relating to temporary and contract staff of continuing operations totaled £9.0 million (2014: £5.4 million). Costs relating to temporary and contract staff of discontinued operations totaled £nil (2014: £0.9 million).

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

	For the financial periods	
	52 weeks ended 28 March 2015	52 weeks ended 29 March 2014
		Restated
	Number	Number
Continuing operations		
Administration and distribution	2,451	2,332
Retailing	15,429	15,917
	17,880	18,249
Discontinued operations		
Average monthly number of employees*	1,783	1,824

* Average over 8 months

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 for continuing operations would be 8,925 (2014: 9,160), and for discontinued operations would be 1,507 (2014: 1,533).

Compensation for key management personnel

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

	For the financial periods	
	52 weeks ended 28 March 2015	52 weeks ended 29 March 2014
	£m	£m
Short term employee benefits	1.9	5.1
Termination benefits	0.2	0.2
Post–employment benefits	0.1	0.1
Aggregate gains made by Directors on the sale of shares	0.3	1.0
	2.5	6.4

Retirement benefits are accruing to two members of key management (2014: two) and one Director at the end of the period.
Directors' remuneration is detailed in note 8b.

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 28 March 2015 and 29 March 2014.

	For the financial periods	
	52 weeks ended 28 March 2015	52 weeks ended 29 March 2014
	£m	£m
Aggregate emoluments in respect of qualifying services	**1.4**	4.4
Compensation for loss of office	**0.2**	—
Company contributions paid in respect of pension schemes	**—**	—

There have been no waivers of emoluments by any of the Directors in the reporting period. One (2014: none) Director exercised share options, one (2014: none) Director purchased an interest in shares, one (2014: one) Director sold an interest in shares and two (2014: none) Directors were granted share options in the period. Retirement benefits are accruing to one (2014: none) Director at the end of the period.

(b) Directors' details

Directors

A Kristiansen, T Singh, M Garland, E Nyborg, M Halusa, S Giambelli, T de Santos, P Mason and M Iddon were Directors as at 28 March 2015. A Miller resigned on 11 April 2014, A McGeorge resigned on 31 May 2014, C Bamberger Bro resigned on 22 July 2014 and N Lane resigned on 4 March 2015. E Nyborg and T de Santos were appointed on 22 July 2014, P Mason was appointed on 16 September 2014, M Iddon was appointed on 22 September 2014 and S Giambelli was appointed on 4 March 2015.

In the financial period ended 28 March 2015, each of the following were Executive Directors: A McGeorge, A Kristiansen, A Miller and M Iddon (2014: A McGeorge, T Singh, A Kristiansen and A Miller).

As representatives of Permira, M Garland and E Nyborg have an indirect economic interest in the shares of the Company held by the Permira Funds. As representatives of Apax, S Giambelli and M Halusa have an indirect economic interest in the shares of the Company held by the Apax Funds. During the financial period, monitoring fees of £205,000 (2014: £201,000) were payable to Apax and £205,000 (2014: £150,000) were payable to Permira. In addition, a further £243,000 of fees were paid to Permira in respect of prior periods.

For details of transactions with the Directors, including payment–in–kind (PIK) interest, see note 37.

Highest paid Director

	For the financial periods	
	52 weeks ended 28 March 2015	52 weeks ended 29 March 2014
	£m	£m
Aggregate emoluments in respect of qualifying services	**0.9**	1.6
Company contributions paid in respect of pension schemes	**—**	—

9. Finance income and expense

	For the financial periods	
	52 weeks ended 28 March 2015	52 weeks ended 29 March 2014
	£m	£m
Finance income		
Interest on bank deposits	**0.3**	0.4
Exchange rate gain on revaluation of Euro bond	**16.5**	4.0
Exchange rate gain on revaluation of US dollar bond*	**—**	2.9
Exchange rate gain on revaluation of Euro cash	**—**	0.4
Total finance income	**16.8**	7.7
Finance expense		
Interest on bonds, bank loans and overdrafts	**68.1**	68.3
Interest on PIK debt	**42.5**	47.8
Premium on PIK prepayment	**1.2**	1.2
Exchange rate loss on revaluation of Euro loans	**—**	0.4
Exchange rate loss on revaluation of US dollar bond*	**—**	—
Amortisation of issue costs on loans	**3.2**	2.6
Finance expense before exceptional expenses	**115.0**	120.3
Exceptional items – finance expense		
Refinancing costs	**—**	3.2
Total finance expense	**115.0**	123.5

* During the financial period, £17.7 million of gains (2014: £10.9 million losses) resulting from the movement in fair value of the US dollar cross currency derivative were recycled from reserves into finance expense (2014: finance income) in the consolidated income statement and net against £17.7 million of losses (2014: £13.8 million gain) on the revaluation of the US dollar bond.

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 23 April 2014 that the Group intended 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 was settled on 27 May 2014.

In the period ended 29 March 2014, 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

As a result of the Group refinancing during the financial period ended 29 March 2014, £18.0 million of costs incurred were capitalised into the value of the borrowings. During the financial period ended 28 March 2015, £3.2 million (2014: £2.6 million) of these capitalised debt costs have been amortised. In addition, £3.2 million of exceptional costs were incurred during the period ended 29 March 2014.

10. Exceptional items

	For the financial periods	
	52 weeks ended 28 March 2015	52 weeks ended 29 March 2014
		Restated
	£m	£m
Continuing operations		
Operating exceptional items		
Loss/(gain) on acquisition of foreign subsidiary	**0.2**	(2.5)
Loss/(gain) on joint venture	**3.7**	(0.1)
Exceptional bonus incentive	**–**	2.3
Restructuring operating base	**–**	0.1
Review of business financing and capital structure	**2.9**	0.9
Redevelopment of Mercery Road	**–**	(9.1)
Franchise receivable impairment	**–**	1.4
Total operating exceptional items	**6.8**	(7.0)
Refinancing costs (note 9)	**–**	3.2
Total exceptional items from continuing operations	**6.8**	(3.8)
Discontinued operations		
Operating exceptional items	**(0.6)**	9.7
Non-operating exceptional items	**(7.4)**	–
Total Group exceptional items	**(1.2)**	5.9

Loss/(gain) on acquisition of foreign subsidiary

On 14 February 2014, the Group acquired two subsidiary companies from its former Franchise Partner in Poland. The difference between the consideration paid and the assets acquired and liabilities assumed on acquisition resulted in an initial 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 were also included above in the net gain on acquisition in the period ended 29 March 2014. Further details of the acquisition are included in note 16.

During the financial period ended 28 March 2015, final adjustments to the purchase price were agreed and a further gain of £0.6 million has been credited to the income statement. In addition, a cost of £0.8 million has been recognised as a result of unwinding the remaining fair value adjustment on inventories arising on the acquisition of the companies.

Loss/(gain) on joint venture

During the financial period ended 28 March 2015, the Board took the decision to divest its 50% interest in NLT Tekstil Sanayi Ve Ticaret Limited Şirketi. A fee of £3.8 million was agreed in settlement of the Group's outstanding obligations in respect of a service agreement with the joint venture. The sale of shares in NLT Tekstil Sanayi Ve Ticaret Limited Şirketi held by the Group is anticipated to complete in June 2015.

During the financial period ended 24 March 2012, an impairment loss was recorded in relation to the recoverability of the 50% joint interest in NLT Tekstil Sanayi Ve Ticaret Limited Sirketi. During the periods ended 28 March 2015 and 29 March 2014, £0.1 million of that impairment was reversed.

Exceptional bonus incentive

In a previous period, the Board of Directors approved a one–off incentive scheme 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 ended 29 March 2014. Depending on the Group's future EBITDA performance, the Group may incur a second charge in a future period.

Restructuring operating base

During the financial period ended 30 March 2013, the Group incurred £3.4 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 incured 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 £0.1 million was incurred during the financial period ended 29 March 2014.

10. Exceptional items (continued)

Review of business financing, refinancing costs and capital structure

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 were 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 period ended 28 March 2015, the Group undertook a number of investigative and preparatory steps in connection with a review of the Group's capital structure and optimising its financing arrangements. Total costs incurred in the period were £2.9 million.

Redevelopment of Mercery Road

During the financial period ended 29 March 2014, 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 Sainsbury's. See note 13 for further details.

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 ongoing 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.

Discontinued operations exceptional items

A charge of £0.1 million was incurred in the period ended 29 March 2014 in relation to reviewing and restructuring the operating cost base of the discontinued operations to align it with the continuing Group's strategies, structures and costs and to the challenging macro–economic environment.

During the financial period ended 29 March 2014, 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 was written down to its value in use. This included an impairment of trade and other receivables of £9.6 million. Prior to disposal in the period ended 28 March 2015, £0.6 million of this impairment was reversed. Details of the assumptions used in these calculations are included in note 14.

Following this strategic review, the Board determined that the Mim business was not a strategic focus for the Group going forward. On 22 November 2014, the Group completed the sale of Mim to Main Asia (HK) Limited, an independent company advised by Asia Global, resulting in a net gain on disposal of £7.4 million in the period to 28 March 2015. Legal costs incurred directly relating to the disposal of £0.4 million and bonus payments to the senior management of Mim of £0.6 million have been included in the net gain on disposal. Further details of the disposal are included in note 17.

11. Taxation

	For the financial periods	
	52 weeks ended 28 March 2015	52 weeks ended 29 March 2014
		Restated
	£m	£m
Continuing operations		
Current tax:		
UK corporation tax on profits for the period	3.8	1.5
Double tax relief	(0.1)	(0.2)
UK adjustments in respect of prior periods	(5.3)	3.5
Overseas tax	0.2	0.8
Overseas adjustment in respect of prior periods	(0.6)	(0.1)
Total current tax from continuing operations	(2.0)	5.5
Deferred tax:		
Origination and reversal of temporary differences	6.8	7.5
Impact of change in UK corporation tax rate	—	(5.5)
Adjustment in respect of prior periods	(3.2)	(0.3)
Total deferred tax from continuing operations	3.6	1.7
Income tax charge from continuing operations	1.6	7.2
Discontinued operations		
Income tax charge/(credit) from discontinued operations	0.8	(8.6)
Total income tax charge/(credit)	2.4	(1.4)

The tax on the Group's profit 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 28 March 2015	52 weeks ended 29 March 2014
		Restated
	£m	£m
Continuing operations		
Profit before taxation	**50.6**	20.7
Tax charge on profit at standard rate of 21% (2014: 23%)	**10.6**	4.8
Reasons affecting charge for the period:		
Depreciation on non-qualifying assets	**1.8**	4.2
(Non-taxable income)/expenses not deductible for tax purposes	**(1.5)**	0.6
Deferred tax liability reversed following impairment	**—**	(0.3)
Foreign tax charged at a different rate than UK standard rate	**(1.1)**	(0.2)
Tax losses for which no deferred income tax asset was recognised	**0.9**	0.5
Re-measurement of deferred tax – change in the UK corporation tax rate	**—**	(5.5)
Adjustment to current tax charge in respect of prior periods	**(5.9)**	3.4
Adjustment to deferred tax charge in respect of prior periods	**(3.2)**	(0.3)
Income tax charge from continuing operations	**1.6**	7.2
Discontinued operations		
Income tax charge/(credit) from discontinued operations	**0.8**	(8.6)
Total income tax charge/(credit)	**2.4**	(1.4)

The Finance Act 2013 was substantively enacted on 17 July 2013 and reduced the main rate of corporation tax to 21.0% with effect from 1 April 2014 and 20.0% from 1 April 2015. Deferred tax balances are measured using tax rates and basis that are consistent with the manor in which the Group expects to recover or settle the deferred tax balances. Closing deferred tax balances have therefore been valued at 20.0% (2014: 20.0%).

In addition to the amount 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 28 March 2015	52 weeks ended 29 March 2014
	£m	£m
Deferred tax:		
Foreign exchange movements from translation reserve (continuing operations)	**–**	0.3
Foreign exchange movements from translation reserve (discontinued operations)	**2.6**	–
Tax on cash flow hedges (continuing operations)	**(8.2)**	6.6
Tax (expense)/credit on items recognised directly in equity	**(5.6)**	6.9

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.

	For the financial periods	
	52 weeks ended 28 March 2015	52 weeks ended 29 March 2014
	£m	£m
Deferred tax asset to be recovered within 12 months	**6.8**	13.9
Deferred tax asset to be recovered after more than 12 months	**14.6**	13.1
	21.4	27.0
Deferred tax liability falling due within 12 months	**—**	—
Deferred tax liability falling due after more than 12 months	**(66.7)**	(61.1)
	(66.7)	(61.1)
	(45.3)	(34.1)

The movement in the period is as follows:

	Accelerated capital allowances	Brand	Other temporary differences	Total
	£m	£m	£m	£m
At 30 March 2013	(1.8)	77.5	(27.8)	47.9
(Credited)/charged to income statement (continuing operations)	(2.4)	(8.2)	12.3	1.7
(Credited)/charged to income statement (discontinued operations)	—	(10.6)	2.0	(8.6)
Recognised directly in equity	—	(0.3)	(6.6)	(6.9)
At 29 March 2014	(4.2)	58.4	(20.1)	34.1
(Credited)/charged to income statement (continuing operations)	(0.9)	—	5.3	4.4
Recognised directly in equity (continuing operations)	—	—	8.2	8.2
Removed from equity (discontinued operations)	—	(2.6)	—	(2.6)
Transferred to disposal group	—	—	1.2	1.2
At 28 March 2015	**(5.1)**	**55.8**	**(5.4)**	**45.3**

There is a deferred tax asset in respect of capital losses of £2.1 million (2014: £1.9 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.

Onerous lease cost and expected reversal of ESOT loan impairment (2014: PIK interest and onerous lease cost) are the main items included in other temporary differences.

Deferred tax assets of £11.4 million (2014: £5.9 million) relating to losses in New Look France SAS, New Look Belgium SA and New Look Holland BV 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 £5.0 million (2014: £8.9 million).

12. Dividends

No dividends have been proposed, declared or paid during the periods ended 28 March 2015 or 29 March 2014.

13. Property, plant and equipment

	Freehold land and buildings	Fixtures and equipment	Total
	£m	£m	£m
Cost			
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
Exchange movement	—	(12.1)	(12.1)
Additions*	(0.2)	42.7	42.5
Disposals	—	(22.4)	(22.4)
Transferred to disposal group	—	(65.3)	(65.3)
At 28 March 2015	10.8	520.6	531.4
Accumulated depreciation			
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)
Exchange movement	—	10.2	10.2
Depreciation charge***	(0.3)	(47.8)	(48.1)
Impairment loss****	—	(4.7)	(4.7)
Disposals	—	22.4	22.4
Transferred to disposal group	—	64.8	64.8
At 28 March 2015	(0.7)	(393.8)	(394.5)
Net Book Value			
28 March 2015	**10.1**	**126.8**	**136.9**
29 March 2014	10.6	139.0	149.6

* Freehold land and buildings includes a release of £0.2 million (2014: £2.1 million) capital accrual
** Reclassification of depreciation/amortisation to software within intangible assets
*** Includes £0.1 million (2014: £5.7 million) of depreciation relating to discontinued operations
**** Includes £nil (2014: £15.0 million) of impairment loss relating to discontinued operations.

Freehold land of £1.2 million (2014: £1.2 million) is not depreciated.

Included within fixtures and equipment are assets in the course of construction of £5.3 million (2014: £7.0 million), which are not depreciated.

At 28 March 2015, the Group has entered into contractual commitments for the acquisition of property, plant and equipment amounting to £8.6 million (2014: £10.3 million).

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).

14. Intangible assets

	Goodwill	Brands, trademarks and licences	Recoverable leasehold property premiums	Software licences	Total
	£m	£m	£m	£m	£m
Cost					
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
Exchange movement	—	(1.6)	(2.1)	(0.1)	(3.8)
Additions	—	0.2	0.3	20.4	20.9
Disposals	—	—	(0.6)	(4.5)	(5.1)
Transferred to disposal group	—	(35.9)	(15.8)	(2.2)	(53.9)
At 28 March 2015	365.3	281.6	9.2	87.1	743.2
Accumulated amortisation and impairment					
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)
Exchange movement	—	1.6	0.2	0.1	1.9
Amortisation charge**	—	—	(0.3)	(11.4)	(11.7)
Impairment loss***	—	—	(1.1)	(1.3)	(2.4)
Disposals	—	—	0.5	4.5	5.0
Transferred to disposal group	—	35.9	4.2	1.6	41.7
At 28 March 2015	—	—	(0.7)	(46.9)	(47.6)
Net Book Value					
At 28 March 2015	**365.3**	**281.6**	**8.5**	**40.2**	**695.6**
At 29 March 2014	365.3	281.4	23.2	33.1	703.0

* Reclassification of depreciation/amortisation from fixtures and equipment within property, plant and equipment
** Includes £0.5 million (2014: £0.4 million) of amortisation relating to discontinued operations
*** Includes £0.1 million (2014: £40.1 million) of impairment losses relating to discontinued operations

As at 28 March 2015, the Group had entered into contractual commitments for the acquisition of software amounting to £1.7 million (2014: £0.6 million).

The lowest CGUs within the Group are individual stores, however for the purpose of 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, trademarks and licences, lease premiums and software licences have been allocated between these groups. Goodwill arising from business combinations is all allocated to the UK.

As at 28 March 2015, brands represents the New Look brand 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 and has concluded that it has an indefinite useful life.

As at 29 March 2014, brands also included the Mim brand, acquired through business combinations. Fair value was established by independent valuers and was based on the relief from royalty method and subsequently impaired in full. As part of the disposal of Mim in November 2014, the Mim brand was disposed of (see note 17).

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 and in some cases independent third party valuations were obtained on the premiums paid resulting in an impairment loss of £1.1 million (2014: £1.0 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 (2014: 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 10.0% (2014: 10.1%). This rate reflects management's estimate of the cost of capital for the business. In the period ended 29 March 2014, for the Mim brand, the resulting cash flows were discounted using a pre–tax discount rate of 7.7%. 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 ended 29 March 2014, management calculated the value in use of the Mim brand as described above. The resulting value in use did not support the carrying value and therefore an impairment loss of £14.9 million on property, plant and equipment; £39.7 million on intangible assets and £9.6 million on trade and other receivables was recognised.

Sensitivity to changes in assumptions

In analysing the impairment of Mim's net assets made in the period ended 29 March 2014, 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.

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.

	As at	
	28 March 2015	29 March 2014
Joint venture's balance sheet	**£m**	£m
Non–current assets	**—**	—
Current assets	**3.3**	2.4
Current liabilities	**(3.9)**	(2.8)
Non–current liabilities	**—**	—
Total net liabilities	**(0.6)**	(0.4)
50% share of net liabilities	**(0.3)**	(0.2)
Loan to joint venture	**0.8**	0.8
Impairment loss*	**(0.5)**	(0.6)
Total investment in joint venture	**—**	—

* Details of the reversal of the impairment loss of £0.1 million (2014: £0.1 million) are included in note 10.

15. Investment in joint venture (continued)

	For the financial periods	
	52 weeks ended 28 March 2015	52 weeks ended 29 March 2014
Joint venture's result	**£m**	£m
Revenue	**13.5**	9.0
Cost of sales	**(12.4)**	(8.2)
Administrative expenses	**(1.3)**	(1.6)
Loss before taxation	**(0.2)**	(0.8)
Taxation	**—**	—
Loss for the financial period	**(0.2)**	(0.8)
50% share of joint venture's result	**(0.1)**	(0.4)

The share capital of the joint venture is 3,040,000 YTLs (being equivalent to £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 period end.

During the period ended 28 March 2015, the Board took the decision to divest its 50% interest in NLT Tekstil Sanayi Ve Ticaret Limited Şirketi (see note 10).

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.

A net exceptional gain arising from the acquisition of £2.5 million was recognised in the period ended 29 March 2014 and is attributable to the indebtedness owing to the Group prior to acquisition. During the financial period ended 28 March 2015, final adjustments to the purchase price were agreed and a further gain of £0.6 million has been credited to the income statement. In addition, a cost of £0.8 million has been recognised as a result of unwinding the remaining fair value adjustment on inventories arising on the acquisition of the companies. See note 10 for further details.

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 were included in the calculation of the exceptional gain on acquisition of foreign subsidiary (see note 10).

Inventories were fair valued at the date of acquisition to the recommended retail price to the final customer in Poland and the difference between cost and the fair value unwound through exceptional items as the inventories were sold. During the financial period, the remaining £0.8 million (2014: £0.3 million) of the fair value adjustment had been released.

The revenue included in the Group's income statement for the period 14 February 2014 to 29 March 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 ended 29 March 2014, the Group's income statement for that period would include revenue of £7.4 million and operating losses of £1.3 million.

17. Discontinued operations

Following a strategic review performed in the period ended 29 March 2014, the Board determined that the Mim business was not a strategic focus for the Group going forward. On 22 November 2014, the Group fully disposed of Mim SAS, Mim Belgique and SCI Geometry Properties France ("Mim" – part of the International segment) to Main Asia (HK) Limited, an independent company advised by Asia Global.

The result of the disposal group for the period to the date of disposal has been reported as discontinued operations in the profit for the period.

Analysis of the result of discontinued operations, and the result recognised in the re–measurement of assets of the disposal group, is as follows;

	For the financial periods	
	52 weeks ended 28 March 2015	52 weeks ended 29 March 2014
	£m	£m
Revenue	**98.0**	160.8
Cost of sales	**(45.2)**	(77.0)
Gross profit	**52.8**	83.8
Administrative expenses*	**(55.5)**	(159.5)
Operating loss	**(2.7)**	(75.7)
Gain on disposal	**7.4**	–
Finance income	**–**	–
Finance expense	**–**	–
Profit/(loss) before taxation	**4.7**	(75.7)
Taxation	**(0.8)**	8.6
Profit/(loss) after taxation	**3.9**	(67.1)

* Administrative expenses for the 52 weeks ended 29 March 2014 includes £55.1 million of impairment of property, plant and equipment and intangible assets and a further £9.6 million impairment of trade and other receivables.

17. Discontinued operations (continued)

Cumulative income or expense recognised in other comprehensive income relating to the disposal group:

	For the financial periods	
	52 weeks ended 28 March 2015	52 weeks ended 29 March 2014
	£m	£m
Foreign exchange translation gain	**–**	4.6
Total income in other comprehensive income	**–**	4.6

Cash flows of the discontinued operation included within the consolidated cash flow statement of the Group, are as follows:

	For the financial periods	
	52 weeks ended 28 March 2015	52 weeks ended 29 March 2014
	£m	£m
Operating cash flows	**(4.7)**	1.6
Investing cash flows	**(4.3)**	(3.8)
Financing cash flows	**2.7**	(0.5)
Total cash flows	**(6.3)**	(2.7)

18. Available for sale financial assets

	As at	
	28 March 2015	29 March 2014
	£m	£m
Unlisted investments available for sale	**–**	0.3

The investments included above were investments held by Mim SAS in unlisted equity securities which were carried at cost being fair value at inception. The investments were carried at cost since they did not have a quoted price in an active market nor a fair value which could be reliably measured. The investments had no maturity or coupon rate and were denominated in Euros.

There were no disposals or impairment provisions on available for sale financial assets in the period ended 29 March 2014. The investments were part of the Mim disposal group that was disposed of in the financial period ended 28 March 2015 (note 17).

19. Inventories

	As at	
	28 March 2015	29 March 2014
	£m	£m
Raw materials and work in progress	**1.4**	1.8
Finished goods	**146.8**	136.3
	148.2	138.1

Inventories with a value of £2.1 million (2014: £2.3 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.

20. Trade and other receivables

	As at	
	28 March 2015	29 March 2014
	£m	£m
Current		
Trade receivables	24.4	16.9
Other receivables	11.0	8.1
Prepayments	40.8	36.4
Accrued income	3.8	3.2
	80.0	64.6
Non–current		
Other receivables	0.4	5.0
Prepayments	18.9	22.4
Accrued income	0.2	–
	19.5	27.4

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

	As at	
	28 March 2015	29 March 2014
	£m	£m
Sterling	83.3	73.0
Euro	12.4	14.6
US dollar	0.7	1.2
Roubles	0.7	1.2
Renminbi	2.3	2.0
Zloty	0.1	–
	99.5	92.0

Included within the trade and other receivables balance is a bad debt provision for £6.3 million (2014: £6.5 million). There was a bad debt charge in the income statement of £0.5 million (2014: £1.4 million).

An impairment loss of £9.6 million was recognised as at 29 March 2014 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 28 March 2015, trade and other receivables of £33.9 million (2014: £26.9 million) were fully performing. As at 28 March 2015, trade and other receivables of £4.8 million (2014: £3.1 million) were past due but not classed as impaired.

The ageing analysis of these is as follows:

	As at	
	28 March 2015	29 March 2014
	£m	£m
Up to 2 months	4.1	0.9
2 to 6 months	0.7	2.2
	4.8	3.1

20. Trade and other receivables (continued)

As at 28 March 2015, trade and other receivables of £6.3 million (2014: £6.5 million) were impaired and £6.3 million (2014: £6.5 million) were provided for. The ageing of these receivables is as follows:

	As at	
	28 March 2015	29 March 2014
	£m	£m
Up to 2 months	–	2.0
2 to 6 months	0.4	4.5
6 to 12 months	2.1	–
>12 months	3.8	–
	6.3	6.5

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

	As at	
	28 March 2015	29 March 2014
	£m	£m
At start of period	6.5	5.9
Provisions for receivables impairment	0.5	1.4
Receivables written off during the period	(0.1)	(0.8)
Foreign exchange movement	(0.6)	–
	6.3	6.5

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.

21. Derivative financial instrument assets

	As at	
	28 March 2015	29 March 2014
	£m	£m
Current assets		
Foreign currency contracts	24.5	0.1
Embedded foreign exchange derivatives	–	0.2
	24.5	0.3
Non–current asset		
Foreign currency contracts	0.2	–
Currency swaps	5.2	–
	5.4	–

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 25.

The interest rate swap agreements, currency swap agreements and foreign currency contracts are referred to within note 27.

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

22. Cash and cash equivalents

	As at	
	28 March 2015	29 March 2014
	£m	£m
Cash at bank and in hand	**57.5**	45.8
Short–term deposits	**68.3**	63.7
Blocked cash	**1.3**	1.6
	127.1	111.1

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.

23. Trade and other payables

	As at	
	28 March 2015	29 March 2014
	£m	£m
Current		
Trade payables	**110.8**	100.6
Other taxation and social security	**8.1**	13.4
Other payables	**1.2**	1.3
Accruals	**93.6**	90.0
Interest accrual	**21.7**	21.9
Deferred income	**28.8**	26.7
Liability for cash–settled share based payments	**1.0**	1.5
	265.2	255.4
Non–current		
Liability for cash–settled share based payments	**–**	3.7
Other taxation and social security	**–**	0.1
Other payables	**–**	2.6
Deferred income	**70.1**	80.1
	70.1	86.5

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 £27.7 million (2014: £50.4 million) relating to inventory.

24. Financial liabilities

	As at	
	28 March 2015	29 March 2014
	£m	£m
Non–current		
Bonds	**784.0**	779.6
PIK debt	**381.0**	377.3
	1,165.0	1,156.9

Financial liablilities are stated net of unamortised capitalised issue costs of £12.2 million (2014: £15.4 million).

Further disclosure in respect of loans is provided in note 29.

25. Derivative financial instrument liabilities

	As at	
	28 March 2015	29 March 2014
	£m	£m
Current liabilities		
Foreign currency contracts	0.3	16.3
Currency swaps	—	0.9
Embedded foreign exchange derivatives	0.4	—
	0.7	17.2
Non–current liabilities		
Foreign currency contracts	0.1	—
Currency swaps	—	11.8
	0.1	11.8

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 27.

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

26. 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	
	28 March 2015	29 March 2014
	£m	£m
Financial assets		
Cash and short–term deposits	127.1	111.1
Available for sale financial assets	—	0.3
Foreign currency contracts	24.7	0.1
Currency swaps	5.2	—
Embedded foreign exchange derivatives	—	0.2
Financial liabilities		
Bonds	784.0	779.6
PIK debt	381.0	377.3
Foreign currency contracts	0.4	16.3
Currency swaps	—	12.7
Embedded foreign exchange derivatives	0.4	—

Using market prices, as at the balance sheet date, the fair value of the PIK debt was approximately £21.0 million higher (2014: £18.5 million higher) 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	
	28 March 2015	29 March 2014
	£m	£m
Notional amount of outstanding foreign currency contracts	**362.9**	357.0
Notional amount of outstanding currency swaps	**161.1**	161.1
Notional amount of outstanding interest rate swaps and cap	**65.8**	144.6

The foreign currency contracts have expiry terms of between 1 and 13 months (2014: 1 and 14 months). The interest rate swap contract has an expiry term of 2 months (2014: 3 and 15 months) and the interest rate swap contracts have been converted from the Euro notional amounts using the closing Euro rate of 1.366 (2014: 1.210). The currency swap contracts have expiry terms of between 2 and 38 months (2014: 2 and 50 months) and have Sterling notional amounts based on a swap contract US dollar rate of 1.552 (2014: 1.552).

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 28 March 2015					
Derivative financial instruments	–	–	29.9	–	**29.9**
Trade and other receivables (excluding prepayments)	39.8	–	–	–	**39.8**
Cash and short-term deposits	127.1	–	–	–	**127.1**
	166.9	–	29.9	–	**196.8**

	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 28 March 2015				
Borrowings	—	—	1,165.0	**1,165.0**
Derivative financial instruments	0.4	0.4	—	**0.8**
Trade and other payables (excluding deferred income)	—	—	236.4	**236.4**
	0.4	0.4	1,401.4	**1,402.2**

	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**

26. Financial instruments (continued)

The following table presents the Group's assets and liabilities that are measured at fair value at 28 March 2015:

	Level 1	Level 2	Level 3	**Total**
	£m	£m	£m	**£m**
Assets				
Foreign currency contracts	—	24.7	—	**24.7**
Currency swap	—	5.2	—	**5.2**
Total assets	—	29.9	—	**29.9**
Liabilities				
Foreign currency contracts	—	0.4	—	**0.4**
Embedded foreign exchange derivatives	—	0.4	—	**0.4**
Total liabilities	—	0.8	—	**0.8**

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 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.

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	
	28 March 2015	29 March 2014
	£m	£m
Trade Receivables		
Counterparties without external credit rating:		
Group 1	**0.7**	1.0
Group 2	**0.3**	0.6
Group 3	**23.4**	15.3
Total trade receivables	**24.4**	16.9

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 dealing 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 28 March 2015, the Group had £120.0 million of cash and cash equivalents (2014: £106.1 million) held with institutions rated 'A' or above, £4.5 million (2014: £3.9 million) held with institutions rated 'A–' and £2.6 million (2014: £1.1 million) held with institutions rated 'BBB', with a combined credit limit of £660.0 million (2014: £620.0 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 28 March 2015, the Group had derivative financial assets of £29.9 million (2014: £0.1 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 28 March 2015	£m	£m	£m	£m
Borrowings	—	—	1,165.0	—
Trade and other payables (excluding deferred income)	236.4	—	—	—
	<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	—

26. Financial instruments (continued)

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.

At 28 March 2015	<1 year £m	1–2 years £m	2–5 years £m	5+ years £m
Forward foreign exchange contracts – cash flow hedges				
Outflow	325.1	13.6	—	—
Inflow	349.9	13.5	—	—
Currency swaps – cash flow hedges				
Outflow	14.0	14.0	182.1	—
Inflow	14.1	14.1	187.3	—
At 29 March 2014	**<1 year £m**	**1–2 years £m**	**2–5 years £m**	**5+ years £m**
Forward foreign exchange contracts – cash flow hedges				
Outflow	361.7	15.1	—	—
Inflow	346.7	14.0	—	—
Currency swaps – cash flow hedges				
Outflow	14.0	15.1	196.2	—
Inflow	12.6	12.6	183.7	—

Embedded foreign exchange derivatives

At 28 March 2015, 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 derivatives under IAS 39 are as follows:

	As at 28 March 2015 £m	As at 29 March 2014 £m
Fair value of embedded foreign exchange derivatives	**(0.4)**	0.2

27. 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 28 March 2015 £m	As at 29 March 2014 £m
Fair value of hedging instruments, qualifying for hedge accounting	**24.3**	(15.0)
Fair value of hedging instruments, not qualifying for hedge accounting	**—**	(1.2)
	24.3	(16.2)

Interest rate swaps

At 28 March 2015, the Group had entered into interest rate swap agreements of £65.9 million (2014: £144.6 million) as partial cash flow hedges of the interest rate risk associated with the drawn down loans of the Group of £128.1 million (2014: £144.6 million). The Group pays a fixed rate on the swap agreement of 0.305% (2014: 0.236% to 0.305%). The interest rate swap expiry is June 2015 (2014: June 2014 and June 2015).

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

	As at	
	28 March 2015	29 March 2014
	£m	£m
Fair value of interest rate swaps, qualifying for hedge accounting	**—**	—
Fair value of interest swaps, not qualifying for hedge accounting	**—**	—
	—	—

Currency swaps

At 28 March 2015, the Group had entered into currency swap agreements of £161.1 million (2014: £161.1 million) as cash flow hedges of the currency exchange risk associated with the Group's US dollar fixed rate notes of £161.1 million (2014: £161.1 million). The Group pays fixed rates on the swap agreements of between 8.668% and 8.768% (2014: 8.668% to 8.768%) and the US dollar swap rate of 1.552 (2014: 1.552). The currency swap expiry dates are May 2018. The fair values of the currency swaps are as follows:

	As at	
	28 March 2015	29 March 2014
	£m	£m
Fair value of currency swaps, qualifying for hedge accounting	**5.2**	(12.7)
Fair value of currency swaps, not qualifying for hedge accounting	**—**	—
	5.2	(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 30 March 2013	—	17.3	(3.2)	(0.7)	**13.4**
Fair value loss through income statement – finance	(10.9)	—	—	—	**(10.9)**
Fair value (loss) / gain through income statement – operating	(0.2)	(3.9)	—	0.9	**(3.2)**
Fair value gain through income statement – other	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)**
Fair value gain through income statement – finance	17.7	—	—	—	**17.7**
Fair value gain/(loss) through income statement – operating	—	2.5	—	(0.6)	**1.9**
Fair value gain through income statement – other	0.2	—	—	—	**0.2**
Fair value gain to reserves	—	38.0	—	—	**38.0**
Fair value at 28 March 2015	5.2	24.3	—	(0.4)	**29.1**

The net fair value gain (2014: loss) to reserves comprises a net £24.3 million gain (2014: net £12.6 million loss) recognised in equity during the period and the recycling out of equity of a £13.7 million prior period loss on final settlement of contracts taken out in prior periods (2014: £15.6 million gain) included in operating gain during the financial period. The income statement includes £0.2 million (2014: £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 also includes £17.7 million of gains (2014: £10.9 million of losses) recognised within finance expense (2014: finance income) resulting from the US dollar cross currency derivatives, accounted for as a cash flow hedge, recycled from reserves. The £2.5 million gain (2014: £3.9 million loss) through the income statement relating to foreign exchange contracts includes a £1.3 million gain (2014: £1.2 million loss) relating to options not qualifying for hedge accounting and a £1.2 million gain (2014: £2.7 million gain) 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 (2014: £nil).

The embedded derivatives are referred to within note 26.

28. Analysis of net debt

	29 March 2014	Cashflow	Non–cash changes	28 March 2015
	£m	£m	£m	**£m**
Cash and cash equivalents	111.1	20.2	(4.2)	**127.1**
Bonds	(779.6)	–	(4.4)	**(784.0)**
PIK debt	(377.3)	37.6	(41.3)	**(381.0)**
Total net debt	(1,045.8)	57.8	(49.9)	**(1,037.9)**

Included in PIK debt non–cash changes is £41.3 million of deferred interest rolled over to the carrying value of the PIK loan and cash changes includes £37.6 million of PIK prepayment. Included in bonds non–cash changes are; £3.2 million amortisation of capitalised fees, a loss on the revaluation of the US dollar bonds of £17.7 million reduced by a £16.5 million gain on the revaluation of the Euro bonds. The non-cash changes in cash and cash equivalents relates to the foreign exchanges movements on foreign denominated cash.

	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 the 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 a £17.8 million gain on revaluation of bonds. The non-cash changes in cash and cash equivalents relates to the foreign exchanges movements on foreign denominated cash.

29. Interest rate risk and liquidity risk

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 Limited. 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 were 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 as at the date of transaction was 1.5240.

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 £807.8 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.

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.

29. Interest rate risk and liquidity risk (continued)

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 28 March 2015

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	127.1	—	—	—	—	—	**127.1**
Bond – Euro	—	—	—	(128.1)	—	—	**(128.1)**
	127.1	—	—	(128.1)	—	—	**(1.0)**

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	—	—	—	(168.0)	—	—	**(168.0)**
PIK debt	—	—	—	(381.0)	—	—	**(381.0)**
	—	—	—	(1,049.0)	—	—	**(1,049.0)**

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)**

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.

The closing balances of the Euro and US dollar bonds were converted at rates of 1.366 and 1.488 (2014: 1.210 and 1.664) respectively.

Borrowing facilities

At each period end, the Group had the following undrawn committed facilities available:

	As at	
	28 March 2015	29 March 2014
	£m	£m
Expiring within one year	**5.0**	5.0
Expiring in more than one year	**75.0**	75.0

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 (2014: £5.0 million) expires within one year and is an undrawn annual facility subject to an annual review.

£75.0 million (2014: £75.0 million) is an undrawn committed multi–currency revolving credit facility and matures in more than one year. 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 £38.8 million (2014: £45.6 million) were outstanding under these arrangements.

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

30. Provisions

	Onerous Lease provisions	Dilapidations provisions	**Total**
	£m	£m	**£m**
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**
Arising during the period	1.3	0.4	**1.7**
Utilised	(1.9)	(0.4)	**(2.3)**
Reversal of unused amounts	(6.1)	—	**(6.1)**
Transferred to disposal group	(1.0)	—	**(1.0)**
Exchange difference	(0.2)	—	**(0.2)**
At 28 March 2015	6.5	0.4	**6.9**

	As at	
	28 March 2015	29 March 2014
	£m	£m
Current	**2.1**	4.4
Non–current	**4.8**	10.4
	6.9	14.8

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 (2014: £0.4 million) is expected to be utilised over one to 12 months.

31. Operating lease commitments

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

	As at	
	28 March 2015	29 March 2014
	£m	£m
Not later than one year	**154.7**	176.5
Later than one year and not later than five years	**526.2**	611.0
Later than five years	**353.2**	542.7
	1,034.1	1,330.2

31. Operating lease commitments (continued)

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 £3.6 million (2014: £3.9 million).

32. 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	
	28 March 2015	29 March 2014
	Number of shares 000s	Number of shares 000s
Shares in issue at the beginning of the period	21,537	34,432
Shares purchased by ESOP from senior management in the period	(2,400)	(12,895)
Shares in issue at the end of the period	19,137	21,537

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.

Details of the 2004 Share Scheme shares outstanding during the period are as follows:

	As at	
	28 March 2015	29 March 2014
	Number of shares 000s	Number of shares 000s
Shares in issue at the beginning of the period	4,577	5,521
Shares purchased by ESOP from key management in the period	(775)	(944)
Shares in issue at the end of the period	3,802	4,577

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. In anticipation of a potential exit event, management modified the scheme rules to accelerate all vesting on an exit event. The result of the modification accelerated the recognition of the fair value charge to the income statement during the current financial period.

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 ESOP 2 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 18.0 pence (2014: 8.0 pence).

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:

	29 March 2014 – 28 March 2015 Number of share options 000s	30 March 2013 – 29 March 2014 Number of share options 000s
Outstanding at the beginning of the period	64,565	92,099
Granted in the period	—	8,900
Exercised in the period	—	—
Lapsed in the period	—	—
Forfeited in the period	(6,109)	(36,434)
Outstanding at the end of the period	58,456	64,565
Exercisable at the end of the period	—	—
Weighted average remaining contractual life (months)	4 months	26 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)	32.0p	12.0p
Highest market value (pence)	32.0p	12.0p
Lowest market value (pence)	12.0p	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 28 March 2015, 1,215,000 (2014: 1,545,000) options were outstanding, with the earliest exercise date being 30 June 2008, assuming that the full vesting period is satisfied.

Up to 29 March 2014, the 2006 Option Plan was accounted for as an equity-settled scheme, however employees within the scheme have had the ability to exercise their options for cash since the two year vesting period ended. As this obligation exists, management have changed the method of accounting for the scheme to cash-settled. This has resulted in the creation of a provision of £0.3 million with the charge to reserves during the financial period ended 28 March 2015.

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

	29 March 2014 – 28 March 2015 Number of share options 000s	30 March 2013 – 29 March 2014 Number of share options 000s
Outstanding at the beginning of the period	1,545	1,882
Granted in the period	—	—
Exercised in the period	(130)	—
Lapsed in the period	—	—
Forfeited in the period	(200)	(377)
Outstanding at the end of the period	1,215	1,545
Exercisable at the end of the period	1,215	1,545
Weighted average remaining contractual life (months)	4 months	30 months
Weighted average share price at the date of exercise (pence)	19.0p	0.0p
Weighted average exercise price (pence)	13.0p	13.0p
Market value at period end (pence)	32.0p	12.0p
Highest market value (pence)	32.0p	12.0p
Lowest market value (pence)	12.0p	1.0p

32. Share based payments (continued)

2014 Option Plan

In June 2014 and other times subsequently, key personnel in the Group were offered the opportunity to participate in the 2014 Option Plan. Share options were awarded to employees at the discretion of the Board.

These shares vest over a four year period. Under the June 2014 tranche, 20.0% vested on 26 June 2014, then 20.0% on each anniversary of 26 June until the fourth anniversary. Under the September 2014 tranche, 20.0% vested on 22 September 2014, then 20.0% on each anniversary of 22 September until the fourth anniversary. Under the February 2015 tranche, 20.0% vested on 22 February 2015, then 20.0% on each anniversary of 22 February until the fourth anniversary. Upon exit all options vest in full.

Details of the 2014 Option Plan options outstanding during the period are as follows:

	29 March 2014 – 28 March 2015 Number of share options 000s
Outstanding at the beginning of the period	—
Granted in the period	16,755
Exercised in the period	—
Lapsed in the period	—
Forfeited in the period	—
Outstanding at the end of the period	16,755
Exercisable at the end of the period	—
Weighted average remaining contractual life (months)	4 months
Weighted average share price at the date of exercise (pence)	0.0p
Weighted average exercise price (pence)	17.0p
Market value at period end (pence)	32.0p
Highest market value (pence)	32.0p
Lowest market value (pence)	12.0p

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 2008 Share Plan and 2014 Option 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 2008 Share Plan for the periods ended 28 March 2015 and 29 March 2014 and for the 2014 Option Plan for the period ended 28 March 2015:

	28 March 2015 2014 Option Plan	28 March 2015 2008 Share Plan	29 March 2014 2008 Share Plan
Weighted average fair value (pence)	7.00	1.55	1.93
Weighted average share price (pence)	22.15	5.47	4.42
Exercise price (pence)	12.00 to 19.00	1.00 to 25.00	1.00 to 25.00
Expected volatility (%)	29.70	31.50 to 60.40	31.50 to 44.10
Expected life of option (years)	0.42 to 1.75	0.58 to 4.08	2.30 to 6.92
Dividend yield (%)	0.00	0.00 to 2.00	0.00 to 2.00
Risk–free interest rate (%)	2.75	1.00 to 4.75	1.00 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.

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	
	28 March 2015 Number 000s	29 March 2014 Number 000s
Shares controlled by the ESOPs at the beginning of the period	**65,392**	23,682
Shares allocated under 2006 Option Plan	**—**	—
Shares allocated under 2008 Share Plan	**—**	(8,900)
Shares allocated under 2014 Option Plan	**(16,755)**	—
Share options exercised in 2006 Option Plan	**130**	—
Shares forfeited from 2006 Option Plan	**200**	337
Shares purchased from Senior Management Scheme	**2,400**	12,895
Shares sold to senior management	**(2,000)**	—
Shares purchased by the ESOPs in the period	**6,884**	37,378
Shares controlled by the ESOPs at the end of the period	**56,251**	65,392

Effect on financial statements

Share based payments also include a cash settled element for 'Good Leavers' and those individuals who fall outside the scope of equity settled arrangements under IFRS 2. 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 profit before taxation (2014: loss) for the periods is as follows:

	As at	
	52 weeks ended 28 March 2015	52 weeks ended 29 March 2014
	£m	£m
Equity-settled share based payment schemes	**0.6**	(0.1)
Cash-settled share based payment schemes	**(3.8)**	6.4
Total share based payment (credit)/charge	**(3.2)**	6.3

33. Share capital

	Share capital	Share premium	Treasury shares	Total
	£m	£m	£m	£m
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)
Shares purchased in the period	—	—	(0.3)	(0.3)
Shares disposed of in the period	—	—	0.4	0.4
At 28 March 2015	10.4	0.6	(23.2)	(12.2)

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.

34. Reconciliation of movements in reserves

	Reverse acquisition reserve	ESOPs reserve	Hedging reserve	Translation reserve	Accumulated losses	Total
	£m	£m	£m	£m	£m	£m
At 30 March 2013	(285.3)	0.7	7.8	10.4	(36.6)	(303.0)
Total comprehensive expense for the period	—	—	(28.2)	(2.4)	(53.6)	(84.2)
Tax on total comprehensive expense for the period	—	—	6.6	0.3	—	6.9
Purchase of treasury shares (note 33)	—	—	—	—	1.4	1.4
Share based payment credit	—	—	—	—	(0.1)	(0.1)
At 29 March 2014	(285.3)	0.7	(13.8)	8.3	(88.9)	(379.0)
Total comprehensive income and expense for the period	—	—	38.0	(5.3)	53.0	85.7
Tax on total comprehensive income and expense for the period	—	—	(8.2)	—	—	(8.2)
Purchase of treasury shares (note 33)	—	—	—	—	0.3	0.3
Share based payment charge	—	—	—	—	0.2	0.2
At 28 March 2015	(285.3)	0.7	16.0	3.0	(35.4)	(301.0)

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.

35. 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 28 March 2015, the ESOPs held 115,745,783 (2014: 115,809,649) Ordinary A shares of 1.0p each in New Look Retail Group Limited and 323,408 (2014: 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.

36. Retirement benefit schemes

The Group operates a defined contribution scheme in the UK. At 28 March 2015 £0.2 million (2014: £nil) was outstanding in respect of contributions payable to personal pension schemes in the UK. The Group pension cost recognised in the income statement was £1.5 million (2014: £1.7 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 2015 by an independent actuary, using the projected unit method. The major assumptions were:

	As at	
	28 March 2015	29 March 2014
	%	%
Rate of increase in salaries	**2.0 – 2.5**	2.5 – 3.0
Discount rate	**1.75**	2.75
Price inflation	**2.0**	2.0

The pension liability at 28 March 2015 was £0.6 million (2014: £0.3 million), which is included in accruals and £1.7 million was transferred to discontinued operations in the period. The pension cost recognised in the income statement from continuing operations was £0.7 million (2014: £0.8 million). During the financial period ended 28 March 2015, a credit of £0.1 million (2014: £nil) was recognised in other comprehensive income in relation to actuarial gains on post–employment benefit obligations.

37. Related party transactions

ESOPs

At the end of the financial period, the ESOPs owed New Look Retail Group Limited and its subsidiaries £22.4 million (2014: £24.6 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 Wadhumal Jagtiani and his wife, Renuka Mukesh Jagtiani own shares. Mukesh Jagtiani also owns 29,737,833 Ordinary B shares (2014: 29,737,833) in the Company in the name of Quillian 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 (2014: £0.4 million) has been recognised through the income statement in the current financial period.

37. Related party transactions (continued)

Transactions with franchisee

	For the financial periods	
	52 weeks ended 28 March 2015	52 weeks ended 29 March 2014
	£m	£m
Sale of goods, handling charges and royalties	32.9	33.5
Franchise royalty income	0.4	0.4

	As at	
	28 March 2015	29 March 2014
	£m	£m
Balance due from franchisee at the end of the financial period	5.2	4.2

Included within the balance due from franchisee is a provision of £nil (2014: £nil).

	As at	
	28 March 2015	29 March 2014
	£m	£m
Investment in PIK loan	45.2	44.2

During the financial period ended 28 March 2015, £4.9 million of interest was rolled up into the balance of the PIK. £nil (2014: £nil) of additional new PIK loan was purchased by the franchisee. On 27 May 2014, the Group prepaid an amount of the new PIK loan. The amount prepaid which related to the franchisee's investment in the PIK loan was £4.4 million. Up to the end of the financial period, an additional £0.5 million of interest was accrued.

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. For further details of the refinancing transaction see note 29.

Transactions with Directors and key management

As at 28 March 2015, there were loans outstanding with one key manager (2014: one), totalling £0.6 million (2014: £0.5 million) in connection with their purchase of the beneficial interest in shares under the 2008 Share Plan (note 32). 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.

As at 28 March 2015, the total of loans outstanding with Directors was £0.2 million (2014: £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.

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 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 of additional PIK loan was purchased by Directors and key management.

For further details of the refinancing transaction see note 29.

During the period a monitoring fee of £0.2 million (2014: £0.2 million) was payable to Rianta Capital Limited, an advisory company owned by Tom 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.

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 of interest was rolled up into the PIK and £54.6 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.

For further details of the refinancing transaction see note 29.

Transactions with joint venture

	As at	
	52 weeks ended 28 March 2015	52 weeks ended 29 March 2014
	£m	£m
Purchases from joint venture	**13.5**	9.0

Included within the trade receivables is a balance of £nil (2014: £nil) owed by the joint venture.

Included within trade payables is a balance of £2.0 million (2014: £1.5 million) owed to the joint venture.

During the financial period ended 28 March 2015, a fee of £3.8 million was agreed in settlement of the Group's outstanding obligations in respect of a service agreement with the joint venture (see note 10 for further details).

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

38. 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	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
New Look France SAS	France	Fashion retail
New Look Belgium SA	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	Peoples' 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 28 March 2015, Mim SAS, Mim Belgique and SCI Geometry Properties were disposed of, see note 17.

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 into liquidation and were struck off.

A full list of subsidiary undertakings as at 28 March 2015 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.

39. 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 8 May 2015 that the Group intended to prepay an amount of the PIK debt equal to a principal amount of £36.7 million plus accrued interest of £1.0 million and a redemption premium of £2.3 million. The prepayment was settled on 14 May 2015.

During the financial period, the Board of New Look Retail Group Limited made the decision to take advice and preparatory steps towards either an exchange listing or a sale of the business.

On 14 May 2015, the Group and its ultimate controlling parties, Apax and Permira signed a Share Sale and Purchase Agreement with Brait SE, an investment group based in South Africa, to sell circa 90% of the ordinary share capital of New Look Retail Group Limited. Tom Singh as Founder and senior management shareholders will acquire the remaining circa 10%. Completion of the sale is expected to be in June 2015.

40. 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, DT3 5HJ.

Independent Auditors' Report to the Members of New Look Retail Group Limited

Report on the Company financial statements

Our opinion

In our opinion, New Look Retail Group Limited's company financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 28 March 2015;
- 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.

What we have audited

New Look Retail Group Limited's financial statements comprise:

- the Company Balance Sheet as at 28 March 2015; and
- the notes to the Company financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements 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.

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 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 65, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("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.

What an audit of financial statements involves

We conducted our audit in accordance with 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 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Accounts 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.

Other matter

We have reported separately on the Group financial statements of New Look Retail Group Limited for the 52 week period ended 28 March 2015.

Rosemary Shapland

Rosemary Shapland

(SENIOR STATUTORY AUDITOR)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors, Southampton
22 May 2015

New Look Retail Group Limited
Company Balance Sheet

		As at	
		28 March 2015	29 March 2014
	Notes	£m	£m
Fixed assets			
Investments	5	37.3	40.5
Current assets			
Other debtors (2015: £nil (2014: £2.9 million) due after one year)		–	2.9
Cash at bank and in hand		0.7	0.4
Current liabilities			
Creditors: Amounts falling due within one year	6	(30.3)	(29.7)
Net current liabilities		(29.6)	(26.4)
Total assets less current liabilities		7.7	14.1
Creditors: Amounts falling due after more than one year	7	–	(6.3)
Net assets		7.7	7.8
Capital and reserves			
Called up share capital	9	10.4	10.4
Share premium account	10	0.6	0.6
Treasury shares	11	(23.2)	(23.3)
ESOP reserve	12	0.7	0.7
Profit and loss account	13	19.2	19.4
Total shareholders' funds	14	7.7	7.8

The financial statements on pages 126 to 131 were approved by the Board of Directors on 22 May 2015 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 28 March 2015 were authorised for issue by the Board of Directors on 22 May 2015 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 28 March 2015 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 32 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. Loss of the Company

The loss (2014: profit) for the financial period dealt with in the financial statements of the Company was £2,220,000 (2014: profit £2,202,000). The Company has no recognised gains or losses (2014: none) apart from the loss 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 (2014: 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	
	28 March 2015	29 March 2014
	£m	£m
Cost and NBV at the start of the period	**40.5**	34.3
Capital contribution in respect of share based payments	**(3.2)**	6.3
Disposed of in the period	**–**	(0.1)
Cost and NBV at the end of the period	**37.3**	40.5

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.

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[2]	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
New Look France SAS	France	Fashion retail
New Look Belgium SA	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	Peoples' Republic of China	Fashion retail

Note:

1. Pedalgreen Limited shareholding held directly whilst all others held indirectly through wholly owned subsidiaries.
2. New Look Retailers Limited 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.

During the financial period ended 28 March 2015, Mim SAS, Mim Belgique and SCI Geometry Properties were disposed of, see note 17 in the Group consolidated financial statements.

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 into liquidation and were struck off.

A full list of subsidiary undertakings as at 28 March 2015 will be annexed to the Company's next annual return.

6. Creditors: amounts falling due within one year

	As at	
	28 March 2015	29 March 2014
	£m	£m
Amounts owed to Group undertakings	**27.4**	28.1
Other taxation and social security	**0.1**	0.1
Corporation tax	**0.1**	0.1
Accruals	**1.7**	–
Liability for cash-settled share based payments	**1.0**	1.4
	30.3	29.7

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	
	28 March 2015	29 March 2014
	£m	£m
Other creditors	–	2.6
Other taxation and social security	–	0.1
Liability for cash-settled share based payments	–	3.6
	–	6.3

8. Financial commitments

The Company had no capital commitments at 28 March 2015 (2014: none).

9. Called up share capital

	As at	
	28 March 2015	29 March 2014
	£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

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 32 of the Group financial statements and is operated through an ESOP discussed in note 11.

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.

10. Share premium account

	As at	
	28 March 2015	29 March 2014
	£m	£m
Share premium	**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 28 March 2015 the ESOPs held 115,745,783 (2014: 115,809,649) Ordinary A shares of 1.0p each in the Company and 323,408 (2014: 323,408) Ordinary B shares of 1.0p each in the Company.

	As at	
	28 March 2015	29 March 2014
	£m	£m
Opening treasury shares	**(23.3)**	(21.9)
Shares purchased in the period	**(0.3)**	(1.4)
Shares disposed of in the period	**0.4**	–
Closing treasury shares	**(23.2)**	(23.3)

12. ESOP reserve

	As at	
	28 March 2015	29 March 2014
	£m	£m
ESOP reserve	**0.7**	0.7

13. Profit and loss account

	As at 28 March 2015 £m	As at 29 March 2014 £m
Opening profit and loss account	19.4	15.9
(Loss)/profit for the financial period (note 3)	(2.2)	2.2
Capital contribution	1.5	–
Share based payment charge/(credit)	0.2	(0.1)
Purchase of treasury shares and beneficial rights	0.3	1.4
Closing profit and loss reserve	**19.2**	19.4

14. Reconciliation of movement in shareholders' funds

	As at 28 March 2015 £m	As at 29 March 2014 £m
(Loss)/profit for the financial period (note 3)	(2.2)	2.2
Shares issued from/(to) ESOPs from treasury shares (note 11)	0.1	(1.4)
Purchase of treasury shares and beneficial rights (note 13)	0.3	1.4
Capital contribution	1.5	–
Share based payment charge/(credit) (note 13)	0.2	(0.1)
Net movement in shareholders' funds	**(0.1)**	2.1
Opening shareholders' funds	7.8	5.7
Closing shareholders' funds	**7.7**	7.8

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 (2014: 75.0 million) undrawn committed revolving multi–currency facility as at 28 March 2015. 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 37 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 8 May 2015 that the Group intended to prepay an amount of the PIK debt equal to a principal amount of £36.7 million plus accrued interest of £1.0 million and a redemption premium of £2.3 million. The prepayment was settled on 14 May 2015.

During the financial period, the Board of the Company made the decision to take advice and preparatory steps towards either an exchange listing or a sale of the business.

On 14 May 2015, the Group and its ultimate controlling parties, Apax and Permira signed a Share Sale and Purchase Agreement with Brait SE, an investment group based in South Africa, to sell circa 90% of the ordinary share capital of the Company. Tom Singh as Founder and senior management shareholders will acquire the remaining circa 10%. Completion of the sale is expected to be in June 2015.

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 owns 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, DT3 5HJ.

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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.

New Look Retail Group Limited, New Look House, Mercery Road, Weymouth, Dorset, DT3 5HJ, UK. Registered in England and Wales under company number 05810406