FEELUNIQUE INTERNATIONAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

Registered Number 7883226

FEELUNIQUE INTERNATIONAL LIMITED

FEELUNIQUE INTERNATIONAL LIMITED

Company information and officers

Directors	Mr. J. Palix Mr. J. Buckle Mr. B. Siney Mr. R. Caupers	Mr. L. Elson Mr. R Bensoussan Mr. J Sharp
Registered Office	Suite 1, 3rd Floor 11-12 St. James's Square London SW1Y 4LB	
Business address	feelunique.com 4th floor Berkshire House 168-173 High Holborn London WC1 7AA	
Secretary	Jordan Company Secretaries Limited 21 St. Thomas Street Bristol United Kingdom BS1 6JS	
Bankers	Royal Bank of Scotland International P.O. Box. 64 Royal Bank House Bath Street St. Helier Jersey JE4 8PJ	
Legal Advisors	Olswang LLP 90 High Holborn London WC1V 6XX	
Independent Auditors	PricewaterhouseCoopers CI LLP 37 Esplanade St. Helier Jersey JE1 4XA	
Registered number	7883226	

FEELUNIQUE INTERNATIONAL LIMITED

Group Directors' Report
For the year ended 31 March 2017

The directors present their report and audited consolidated financial statements of Feelunique International Limited ("the Company"), and its subsidiary ("the Group") for the year ended 31 March 2017.

Incorporation
The company was incorporated in England, United Kingdom on 15 December 2011.

Principal activities
The Company's principal activity for the period from 15 December 2011 to 31 July 2015 was in the provision of marketing, public relations, commercial and technical services to its parent company, thebigwebsite Limited.

From 1 August 2015, the Company took over the ownership of the feelunique website and beauty retail business from its parent company and is now the main operating company within the feelunique group. This ownership transfer was at £nil consideration effected on 31 July 2015.

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

Company law requires the directors to prepare consolidated financial statements for each financial year. Under the law the directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations. Under company law the directors must not approve the consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing these consolidated 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 applicable IFRS's have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and

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

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

As far as the directors are aware, there is no relevant audit information of which the Group's auditors are unaware. The directors have taken all steps that they ought to have taken as the directors in order to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Review of the business
A review of the business is included in the Group strategic report including a review of financial risks.

The company is supported by new investment from the parent company shareholders. The parent company Feelunique Holding Limited successfully completed the new funding round in March 2017, with an additional investment of £8.6m being invested by a new shareholder into the group. This new funding is supported by the 3 year, £4m, Barclays revolving loan facility which came into effect on 16 November 2016 (note 14).

The main financia KPIs which are used to monitor performance of the Group are revenue and EBITDA. Revenue was £65.4m in the year and EBITDA as defined on page 8 was a loss of £5.4m.

FEELUNIQUE INTERNATIONAL LIMITED

Group Directors' Report (continued)
For the year ended 31 March 2017

Results
During the year the Group made a loss after tax of £6.643m (2016: loss £8.618m). This loss has been charged to reserves. The results for the year are set out in the Consolidated statement of comprehensive income on page 8.

Dividend
No dividend was paid or proposed during the year or at the year end (2016: £nil).

Directors
The directors who served during the year and to the date of this report were as follows;

	Appointed
Mr. B. Siney	15 December 2011
Mr. J. Palix	5 September 2014
Mr. J. Buckle	5 September 2014
Mr. R. Caupers	21 March 2017
Mr. L. Elson	21 March 2017
Mr. R. Bensoussan	1 April 2017
Mr. J. Sharp	1 April 2017

Political donations and political expenditure
No political donations or political expenditure was made during the year or at the year end (2016: £nil).

Employees
Average number of people (including executive directors) employed in:

	2017	2016
UK	56	46
France	26	23
	82	69

For mores details on employees of the Group see the Group strategic report and note 3 to the financial statements.

Secretary
The Secretary of the Company during the year and to the date of this report was Jordan Company Secretaries Limited, 21 St. Thomas Street, Bristol, United Kingdom, BS1 6JS.

Registered office:
Suite 1, 3rd Floor
11-12 St. James's Square
London
SW1Y 4LB

By Order of the Board

Mr. Nicholas James Buckle
Director /Company Secretary

Date: 26 July 2017

FEELUNIQUE INTERNATIONAL LIMITED

Group Strategic Report
For the year ended 31 March 2017

The directors present their strategic report for the Group for the year ended 31 March 2017.

Strategy and objectives
The Feelunique International Limited group of companies ("the Group") is part of the Feelunique Holding Limited group ("the wider Group").

The objective of the Group is to be a leader in online retail of premium beauty products to consumers in the United Kingdom and internationally.

The Group operates the website www.feelunique.com and other country specific variations. The websites offer a very wide range of approximately 25,000 beauty products sourced directly from approximately 500 beauty brands. Products are distributed to consumers globally from the Group's distribution centres in the UK and France.

The Group also operates a small 'bricks and mortar' retail business in Paris, with 4 stores and 1 hair salon.

Business environment
The Group operates within the very large, global, Beauty market. The directors are not aware of any other online retailer that carries an equivalent range of beauty products, categories and brands. As a result, the Group has a unique consumer proposition compared to its diverse range of competitors which includes businesses such as large department store groups, specialist health & beauty retailers, other online retailers and small beauty salons.

The shift towards online retail in Beauty is behind many other categories; online retail's share of the total Beauty market remains below 10% globally. The proportion shopping online is increasing however, and the Group expects this favourable trend to continue for the foreseeable future, contributing to sales growth for the Group.

The Group has the following key risks:

- The progression towards online retail for Beauty products slows or goes into reverse. This would reduce the Group's capacity to grow revenues and achieve profitability. The directors currently see no evidence of this risk being realised and, in contrast, see good long term growth potential from the consumer shift towards online retail.

- Beauty brands could refuse to supply their products to the Group, undermining a core element of the customer proposition. In order to mitigate this risk, the Group places significant importance on the management of its supplier relationships and ensuring that the premium nature of its suppliers' products is respected throughout the customer experience. During the financial year the Group continued to add to its brand portfolio.

- The Group could fail to deliver a competitive customer experience, either on the website or in its distribution of products and so lose market share. The Group mitigates this risk by continually monitoring customer feedback and taking this into account in its service development.

- The Group could fail to maintain adequate controls over customer data, resulting in a security breach. This could result both in financial loss for the Group and a loss of reputation and confidence from its customers. The Group mitigates this risk by continually monitoring its technology environment and employing third parties to test for vulnerability.

- The anticipated exit of the UK from the EU creates some uncertainty for all businesses that trade within the EU. At this stage, it is unknown what, if any, impact the expected exit of the UK from the EU will have on the Group's financial performance. However, with an established operation in France, the directors believe that the Group has flexible options for how it will respond to any changes in the trading environment.

FEELUNIQUE INTERNATIONAL LIMITED

Group Strategic Report
For the year ended 31 March 2017 (continued)

Employees
During the year, the Group employed an average of 82 people in the United Kingdom and France. There are no employment matters that are material to the operation of the Group.

62 (75%) of the Group's employees were female, compared to 78% in the year to 31 March 2016.

Environmental issues
As an online retailer, the Group's main environmental concern is the use of packaging for the delivery of products to consumers. The Group regularly reviews its packaging to ensure the size and shape of its boxes minimises the amount of excess packaging and to ensure that the materials used meet high environmental standards.

The cardboard used in the Group's packaging is 100% recycled paper and 100% recyclable; the paper comes from FSC certificated mills; the inks that are used to print the branded cartons are all water based inks and are environmentally friendly.

To protect the product in transit the Group uses either a product called Korrvu® or air cushions. Korrvu® packaging can be easily recycled along with the cardboard boxes in the normal recycling stream and can be reused. Air cushions have been developed according to European guidelines on packaging & packaging waste: EN13427. They are environmentally friendly, 100% recyclable, containing no hazardous substances or heavy metals. The print is water based ink and odour free. All inflated air cushions are suitable for re-use.

Business performance
As part of a re-organisation of the wider Group, the Company began trading on 1 August 2015. Reported sales in that prior financial year of £37.9m were part of total sales for the wider Group of £55.3m.

During this financial year, the Group delivered a strong trading performance, as it continued to invest in revenue growth and maintained a projection towards long term scale and profitability. Sales for the wider Group grew by 25%, to £69.3m, with £65.4m attributable to the Group. The top three geographies for sales during the year were the United Kingdom, China and France and they will remain the drivers of growth in the next financial year.

The directors believe the Group is well placed to benefit from a steady shift towards online retail in Beauty and see continued opportunity for growth across all geographic regions. As a result, the directors expect further strong sales growth in the year to 31 March 2018 and for this trend to continue in the following 3 to 5 years.

The Group's losses reduced by £2.0m compared to the previous financial year. The strategy of the wider Group is to continue growing sales and building international scale, whilst reducing EBITDA losses. The Group is well funded and fully able to finance its strategic plans with the goal of achieving positive EBITDA in the medium term.

The Group's growth plans are funded through a combination of parent company equity and debt. During the year, the Company agreed a three year working capital facility with Barclays Bank Plc for up to £4m, of which £1.5m was drawn down at the year end. In addition, the Company's parent issued new equity of £8.6m during March 2017 which will be used primarily to fund the future growth and development of the Group; this is made available to the Company through its inter-company loan account.

By Order of the Board

Mr. Nicholas James Buckle
Director /Company Secretary

Date: 26/07/2017

Independent auditors' report to the members of Feelunique International Limited

Report on the financial statements

Our opinion

In our opinion, Feelunique International Limited's group financial statements (the "financial statements"):

- give a true and fair view of the state of the group and parent company's affairs as at 31 March 2017 and of the group's loss and cash flows for the year 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

The financial statements, included within the Annual Report, comprise:

- the Consolidated and company statement of financial position as at 31 March 2017;
- the Consolidated statement of comprehensive income for the year then ended;
- the Consolidated statement in changes in equity for the year then ended; and
- the Consolidated cashflow statement for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Group Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Group Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Group Strategic Report and the Group Directors' Report. We have nothing to report in this respect.

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, 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.

Independent auditors' report to the members of Feelunique International Limited

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities set out on page 2, 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 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. With respect to the Group Strategic Report and Group Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

Michael Byrne (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants and Statutory Auditors
Jersey, Channel Islands
28 July 2017

FEELUNIQUE INTERNATIONAL LIMITED

Consolidated statement of comprehensive income
For the year ended 31 March 2017

	Notes	Before non-recurring items 2017 £ 000's	Non-recurring items 2017 £ 000's	After non-recurring items 2017 £ 000's	Before non-recurring items 2016 £ 000's	Non-recurring items 2016 £ 000's	After non-recurring items 2016 £ 000's
Revenue	2.7	65,440	-	65,440	37,932	-	37,932
Cost of sales		(48,659)	-	(48,659)	(29,653)	-	(29,653)
Gross Profit		16,781	-	16,781	8,279	-	8,279
Selling and distribution costs	5	(9,892)	-	(9,892)	(6,795)	-	(6,795)
Administrative expenses	5	(12,851)	(603)	(13,454)	(8,864)	(1,204)	(10,068)
Total operating expenses		(22,743)	(603)	(23,346)	(15,659)	(1,204)	(16,863)
Operating loss from continuing operations	3	(5,962)	(603)	(6,565)	(7,380)	(1,204)	(8,584)
Net finance costs	6			(78)			(34)
Loss on ordinary activities before taxation				(6,643)			(8,618)
Income tax expense	7			-			-
Loss for the year				(6,643)			(8,618)

Loss for the year reconciled to EBITDA:		2017 £ 000's	2016 £ 000's
Operating loss before non-recurring items		(5,962)	(7,380)
Depreciation and amortisation	9/10	524	59
Earnings before interest, taxation, depreciation and amortisation ("EBITDA")		(5,438)	(7,321)

FEELUNIQUE INTERNATIONAL LIMITED

Consolidated statement of comprehensive income
For the year ended 31 March 2017

	2017 £ 000's	2016 £ 000's
Loss for the year	(6,643)	(8,618)
<u>Other comprehensive income:</u>		
Exchange differences on translation of foreign operations (less) income tax effect	226	51
Net other comprehensive income to be classified to profit or loss in subsequent periods	226	51
Other comprehensive income for the year, net of tax	226	51
Total comprehensive income for the year, net of tax	(6,417)	(8,567)

The notes on pages 14 to 28 form an integral part of these consolidated financial statements.

FEELUNIQUE INTERNATIONAL LIMITED

Consolidated statement of financial position
As at 31 March 2017

ASSETS	Notes	2017 £ 000's	2016 £ 000's
Non-current assets			
Intangible assets	9	1,609	756
Property, plant and equipment	10	563	250
		2,172	1,006
Current assets			
Inventories	11	8,178	5,923
Trade and other receivables	12	4,356	2,090
Cash and cash equivalents	13	651	867
		13,185	8,880
Total assets		15,357	9,886
EQUITY AND LIABILITIES			
Equity			
Share capital	19	-	-
Foreign currency translation reserve	20	277	51
Retained earnings	20	(19,859)	(13,216)
Total equity		(19,582)	(13,165)
Non-current liabilities			
Amounts due to group companies	18	19,553	15,281
Reverse premium		-	35
		19,553	15,316
Current liabilities			
Borrowings	14	1,373	-
Trade and other payables	15	11,049	7,194
Amounts due to group companies	18	2,964	541
		15,386	7,735
Total liabilities		34,939	23,051
Total equity and liabilities		15,357	9,886

The notes on pages 14 to 28 form an integral part of these consolidated financial statements.

The consolidated financial statements on pages 8 to 28 were approved and authorised for issue by the board of directors on 25 July 2017 and were signed on its behalf by:

Director **Registered number: 7883226**

FEELUNIQUE INTERNATIONAL LIMITED

Company Statement of financial position
As at 31 March 2017

ASSETS	**Notes**	**2017 £ 000's**	**2016 £ 000's**
Non-current assets			
Intangible assets	9	862	9
Property, plant and equipment	10	118	76
Investment in subsidiary	17	1,104	1,104
		2,084	1,189
Current assets			
Inventories	11	7,186	5,490
Amounts due from group companies	18	672	203
Trade and other receivables	12	3,866	1,939
Cash and cash equivalents	13	540	848
		12,264	8,480
Total assets		14,348	9,669
EQUITY AND LIABILITIES			
Equity			
Share capital (£100)	19	-	-
Retained earnings	20	(19,630)	(13,048)
Equity attributable to equity holders of the parent		(19,630)	(13,048)
Non-current liabilities			
Reverse premium		-	35
Amounts due to group companies	18	19,426	15,228
		19,426	15,263
Current liabilities			
Trade and other payables	15	10,215	6,913
Borrowings	14	1,373	-
Amounts due to group companies	18	2,964	541
Income tax payable		-	-
		14,552	7,454
Total liabilities		33,978	22,717
Total equity and liabilities		14,348	9,669

The notes on pages 14 to 28 form an integral part of these consolidated financial statements.

The consolidated financial statements on pages 8 to 28 were approved and authorised for issue by the board of directors on 25 July 2017 and were signed on its behalf by:

Brian Avery

Director

Registered number: 7883226

FEELUNIQUE INTERNATIONAL LIMITED

Consolidated statement of changes in equity
For the year ended 31 March 2017

	Ordinary share capital £ 000's (Note 21)	Total Ordinary Share capital £ 000's (Note 19)	Retained earnings £ 000's (Note 20)	Foreign currency Translation reserve £ 000's (Note 20)	Total £ 000's
		Attributable to equity holders of the parent			
Balance as at 1 April 2015 (unaudited)	0	-	(4,598)	-	(4,598)
Loss for the year		-	(8,618)	-	(8,618)
Other comprehensive income for the year		-	-	51	51
Total comprehensive income	0	-	(13,216)	51	(13,165)
Balance as at 31 March 2016	0	-	(13,216)	51	(13,165)
Loss for the year	-	-	(6,643)	-	(6,643)
Other comprehensive income for the year	-	-	-	226	226
Total comprehensive income	-	-	(6,643)	226	(6,417)
Balance as at 31 March 2017	0	-	(19,859)	277	(19,582)

FEELUNIQUE INTERNATIONAL LIMITED

Consolidated cashflow statement
For the year ended 31 March 2017

	Note	2017 £000's	2016 £000's
Cash flows from operating activities			
Cash generated from operations	22	(4,113)	(9,333)
Interest paid		(54)	(34)
Net cash used in operating activities		(4,167)	(9,367)
Cash flows from investing activities			
Acquisition of subsidiary undertakings, net of cash acquired		-	(972)
Purchase of property, plant and equipment		(405)	(194)
Proceeds from sale of property, plant and equipment		-	18
Purchase of intangible assets		(322)	(14)
Net cash used in investing activities		(727)	(1,162)
Cash flows from financing activities			
Proceeds from working capital facility		1,355	-
Loans from group companies		3,323	11,325
Net cash generated from financing activities		4,678	11,325
Net increase in cash and cash equivalents		(216)	796
Cash and cash equivalents at the beginning of the year		867	71
Cash and cash equivalents at the end of the year	13	651	867

The notes on pages 14 to 28 form an integral part of these consolidated financial statements.

1 General information

The consolidated financial statements of Feelunique International Limited and its subsidiary (collectively, "the Group") for the year ended 31 March 2017 were authorised for issue in accordance with a resolution of the directors on 25 July 2017. Feelunique International Limited ("the Company") is a limited company incorporated and domiciled in England, UK. The registered office is Suite 1, 3rd Floor, 11-12 St James's Square, London, SW1Y 4LB.

The Company's principal activity is that of an online retailer selling cosmetics and fragrances and its website name is "feelunique.com".

2 Summary of significant accounting policies

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

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention. The Company has taken advantage of the exemption in Section 408 of the Companies Act from disclosing its individual Statement of comprehensive income, statement of changes in equity and cash flow statement for the company.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its 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 2.5.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the ultimate parent company, Feelunique Holding Limited has agreed and is committed to meeting all of the Group's current and future liabilities as they fall due. The group companies have confirmed they will not demand payment until such time as the Group is in a position to pay.

2.3 Changes in accounting policy and disclosures

The following standards have been adopted by the Group during the year and have a material impact on the Group:

(a) New and amended standards adopted by the Group

No additional standards were identified other than those already disclosed.

(b) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2017 reporting periods and have not been early adopted by the Group. None of these are expected to have a significant effect on the consolidated financial statements of the Group.

Amendments to IFRS 2 Share-based Payment (mandatory for financial years commencing 1 January 2018);

IFRS 7 Financial Instruments: Disclosure additional hedge accounting disclosures (applies when IFRS 9 is adopted);

IFRS 9 Financial Instruments (mandatory for financial years commencing 1 January 2018);

Amendments to IFRS 12 Disclosure of Interests in Other Entities (mandatory for financial years commencing 1 January

IFRS 15 Revenue Recognition – Revenue from Contracts with Customers (mandatory for financial years commencing 1

IFRS 16 Leases (mandatory for financial years commencing 1 January 2019);

Amendments to IAS 7 Statement of Cash Flows as a result of the Disclosure Initiative (mandatory for financial years commencing 1 January 2017);

Amendments to IAS 12 Income Taxes regarding recognition of Deferred Tax Assets for Unrealised Losses (mandatory for financial years commencing 1 January 2017); and

Amendments to IAS 39 Financial Instruments: Recognition and Measurement (applies when IFRS 9 is adopted).

2.4 Business combinations

The Group applies the acquisition method for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any assets or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit and loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

2.5 Significant accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements:

Going concern

The Group's financial statements are prepared on a going concern basis. While the Group has made losses in the last few years as result of the implementation of the business investment strategy, the Group continues to be supported by new investment from the parent company shareholders. During the year, the Group secured a new three year Barclays bank revolving loan facility in the sum of £4m, which was available to the Group from 16 November 2016. The Group also secured new shareholder investment of £8 64m in March 2017 which completed the £30m funding raised from new shareholders The directors believe that the projected financial performance of the Group going forwards will be in line with the financial targets set for the 12 months from the date of signing these accounts, and Feelunique Holdings Limited have committed to support the Group to meet their debts as they fall due.

Estimates and assumptions

Business combinations and goodwill

The directors have reviewed the goodwill recognised as a result of the French business combination and presented in the financial statements as Intangible Assets. The directors reviewed the fair values of this goodwill asset for the French cash generating unit and considered whether there has been an impairment in the carrying value. The directors have reviewed the business performance of the French cash generating unit and considered in detail the impact on the overall valuation of the Group which is supported by each cash generating unit. The directors conducted a bench-marking exercise against other similar retail organisations with significant online businesses and it was determined that there was no impairment to be recognised to the fair value of the goodwill are presented in the Group financial statements.

Revenue recognition

The directors have reviewed the basis on which revenue is recognised within the Group financial statements. Consideration was given to the various stages of the Group's obligations to the customers within the sale process and the identification of when title to the goods passes to the customer and the completion of the Group's obligations to them. More detail is provided in note 2.6 and no adjustment was identified to the revenue numbers as presented in the Statement of comprehensive income.

Deferred Tax

At the year end, a review was undertaken regarding the level of losses being carried forward by each group entity and what opportunities the Group has available to it to optimise its tax position going forwards. It was noted that a deferred tax asset should be recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. The Group has losses to carry forward and the directors have considered whether a Deferred Tax Asset should be recognised in the year end financial statements. The directors have considered the financial projections for the foreseeable future and are of the view that a deferred tax asset should not be recognised in this year end financial statements due to fact that the Group continues to work through some operational restructuring activities and investment projects which may affect the timing of the recognition of the break-even and profit levels and any allowable losses during that period.

2.6 Revenue recognition

Revenue from the online sale of goods is recognised at the point that the risk and rewards of the inventory have passed to the customer, which is the point of dispatch.

Revenue is recognised on the dispatch of customer orders from the Group's warehouse. Customer orders not dispatched but paid for at the year end are accounted for as "Deferred Income" in Trade and other payables in the Consolidated statement of financial position.

2.6 Revenue recognition (continued)

For the small number of credit account transactions in the "Feelunique France" stores, revenue is recognised when the customer invoice is raised.

During the year, £1.0m of marketing partnership income was reclassified from cost of goods sold to revenue, reflecting the contractual nature of the marketing services provided to brands. The prior year Statement of comprehensive income reflects this reclassification, resulting in £0.8m increase in revenue in the prior year

2.7 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the gross value of goods and services provided to the customer and less the value of sales discounts and customer refunds. It excludes Value Added Tax and Jersey's Goods and Services Tax ("GST").

Also included in revenue is the value of foreign currency gains/(losses) which arise upon the monthly conversion of the multi-currency bank account balances from the operating values reported using a standard monthly currency exchange rate and the actual exchange rate between the foreign currencies and sterling in existence at the end of each month.

2.8 Retro and marketing partnership income recognition

Cost of sales includes the value of retro income received and receivable from certain suppliers. This retro income is earned when the company meets specified supplier purchase targets during the calendar year. The company recognises this income in the consolidated statement of comprehensive income when the retro qualifying stock has been sold to customers.

Revenue includes the value of marketing partnership income. This income is earned when the company delivers specified marketing campaigns and a level of marketing support during the year. Also included in Cost of sales are supplier credits which represent income derived from the co-funding of certain promotional campaigns.

2.9 Non-recurring items

Non-recurring items are those items that are unusual because of their size, nature or incidence. The Group's management consider that these items should be separately identified within their relevant income statement category to enable a full understanding of the Group's results

2.10 Foreign currency translation

(a) Functional and presentation currency

The Group's consolidated financial statements are presented in sterling, which is the currency of the primary economic environment in which it operates.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the website exchange rate prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Foreign exchange gains and losses that relate to borrowings and cash/cash equivalents are presented in the statement of comprehensive income statement within "Revenue".

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position.

(ii) income and expenses for each income statement are translated at average exchange rate (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transactions dates, in which cash income and expenses are translated at the rate on the dates of the transactions); and

(iii) all resulting exchange differences are recognised in other comprehensive income and in the Foreign Currency Translation Reserve in the Consolidated statement of changes in equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences are recognised in other comprehensive income.

Website foreign currency exchange rates are monitored against international market rates and periodically revised by the Company.

2.11 Property, plant and equipment, and depreciation

The depreciation on property, plant and equipment is calculated on the straight line basis, to write down their cost to their estimated residual value over their estimated useful economic lives. Gross carrying value is determined as being the historic cost less depreciation.

The depreciation rates applied during the year were as follows;

	% rate
Leasehold property improvements	20%
Plant & equipment	20%
Fixtures and fittings	10%
Computer equipment	33%
Motor vehicles	25%
Web equipment	33%

- A full year's depreciation is charged in the year an asset is acquired.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Impairment review is carried out on an asset whenever an indication of impairment becomes apparent. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Administrative Expenses" in the statement of comprehensive income.

2.12 Intangible assets

(a) Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

-it is technically feasible to complete the software product so that it will be available for use;
-management intends to complete the software product and use or sell it;
-it can be demonstrated how the software product will generate probable future economic benefits;
-adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
-the expenditure attributable to the software product during its development can be reliably measured.

Other development costs that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Third party acquired computer software are also recognised as intangible assets.

The amortisation on computer software is calculated on the straight line basis, to write down its cost to its estimated residual value over its estimated useful economic life. Gross carrying value is determined as being the historic cost less amortisation. The amortisation rate applied during the year was 20%.

(b) Goodwill

Goodwill is initially recognised as an asset at cost and is reviewed for impairment at least annually. Goodwill is subsequently measured at cost less any accumulated impairment losses. An impairment charge is recognised in profit or loss for any amount by which the carrying value of goodwill exceeds its recoverable amount. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. For acquisitions prior to 3 April 2010 costs directly attributable to business combinations formed part of the consideration payable when calculating goodwill. Adjustments to contingent consideration, and therefore the consideration payable and goodwill, are made at each reporting date until the consideration is finally determined. Acquisitions after this date fall under the provisions of 'Revised IFRS 3 Business Combinations (2009)'. These acquisition transaction costs, other than share and debt issue costs, will be expensed as incurred and subsequent adjustments to the fair value of consideration payable will be recognised in profit or loss.

2.12 **Intangible assets (continued)**
Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired.

The Group has identified a goodwill amount on the purchase of the French business during the prior year. The goodwill is derived from the business activates of the French offline and online retail trading activities.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment.

2.13 **Inventories**
Inventory is valued by the directors at the lower of cost and net realisable value. Net realisable value is the price at which inventory can be sold in the normal course of business after allowing for the costs of realisation. The inventory value in the statement of financial position is the cost price less trading inventory provisions and retro income attributable to qualifying inventory unsold at the year end.

2.14 **Cash and cash equivalents**
Cash and cash equivalents comprise cash at bank and in hand, including short term deposits with a maturity date of three months or less. In the Consolidated statement of financial position, bank overdraft is shown within borrowings in current liabilities.

2.15 **Financial instruments**
The Group classifies its financial instruments in the following categories:

(a) Loans
The loans are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. They are included in non-current liabilities. The loans comprise "Amounts due to group companies" in the consolidated statement of financial position. These liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(b) Cash
Cash and cash equivalents includes cash in hand and at bank.

(c) Equity instruments
Equity instruments issued by the Company are recorded as the proceeds are received, net of direct issue costs.

(d) Trade payables
Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective rate of interest.

2.16 **Trade receivables**
Trade receivables are recognised and carried at original invoice amount less provision for impairment.

Directors on a regular basis monitor and review the ageing and recoverability of trade receivables with the view to identify if any bad debt provision is required to be made.

2.17 **Investments**
Investments in subsidiary undertakings are stated at the original cost of the investment. Provision is made against cost where, in the opinion of the Directors, the value of the investment is impaired.

2.18 **Operating leases**
The payments made under the operating leases for the rental of property occupied by the Group have been charged to the Consolidated statement of comprehensive income on a straight line basis over the lease terms.

2.19 **Reverse premium**
Reverse premiums associated with a lease are recognised in the Statement of comprehensive income on a straight-line basis over the life of the lease.

2.20 **Income tax expense and deferred taxation**

The charge for taxation is based on the net income for the year. Deferred tax is recognised on all taxable temporary differences to the extent that it is probable that future taxable profits will be available for utilisation.

2.21 **Related parties**

The Company has disclosed transactions and balances with related parties and details are provided in note 18 and note 24.

2.22 **Provisions**

Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event and the costs to settle the obligation are both probable and able to be reliably measured.

Provisions are recognised at the fair value of managements best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

2.23 **Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a re-payment for liquidity services and amortised over the period of the facility to which it relates.

3 **Operating loss**

	2017	2016
Operating loss for the year after charging/(crediting):	£ 000's	£ 000's
Operating lease charges	601	423
Lease incentives	(35)	(80)
Depreciation - tangible fixed assets	160	54
Amortisation - intangible assets	364	4
Wages and salaries -office	2,305	2,292
Wages and salaries -Paris retail stores	719	219
Employer social security costs	602	336
	3,626	2,847
Directors emoluments	774	-
Total wages and staff related costs	4,400	2,847
Average number of employees during the year:	82	69
Average number of people (including executive directors) employed:		
Selling and distribution	56	15
Operations	26	54
Total	82	118
By location:	56	46
	26	23
	82	69

4 Auditor remuneration

	2017	2016
	£ 000's	£ 000's
Fees payable to Company's auditor and its associates for the audit of parent company and consolidated financial statements	44	32
Fees payable to Company's auditor and its associates for other services:		
- The audit of company subsidiaries	17	-
- Audit-related assurance service	-	8
- Tax advisory services	3	28
	64	68

5 Non-recurring costs

	2017	2016
	£ 000's	£ 000's
Warehouse restructure costs	-	956
Tax & Group restructuring costs	-	248
Finance team restructure costs	250	-
Feelunique France store refurbishment programme	148	-
Irrecoverable VAT	124	-
Other costs	81	-
	603	1,204

During the year, restructuring was undertaken to move the Finance team from Jersey to the UK operating site, as well as finalise the corporate restructure of the Group. In the prior year, warehouse restructure costs related to the closure of the Jersey warehouse and the setup of a new UK warehouse.

In the prior year, Group & tax restructuring costs related to the professional fees incurred on the acquisition of the French subsidiary company and the Group taxation and restructuring project costs.

During the year, two stores in France were closed for refurbishment and rebranding resulting in non-recurring operating costs.

Irrecoverable VAT relates to the registration of the Company for VAT in some international territories during the year and settlement of VAT due as a result of these registrations.

6 Net finance costs

	2017	2016
	£ 000's	£ 000's
Bank interest and charges	78	34
	78	34

7 Income tax expense

	2017	2016
	£ 000's	£ 000's
Current tax:		
Current tax on profit for the year	-	-
Adjustment in respect of prior years	-	-
Total Current Tax	-	-

The Company is subject to the UK corporation tax rate of 20%. Feelunique France SAS is subject to corporate income tax in France at the rate of 33.3%.

	2017	2016
	£ 000's	£ 000's
Loss before tax	(6,643)	(8,618)
Tax calculated at the tax rates applicable (blended rate 2017: 20.13%, 2016: 20.26%)	(1,337)	(1,746)
Tax effects of :-		
- Depreciation in excess of capital allowances	105	12
- Losses created in the year	1,232	1,734
Tax Charge	-	-

The Feelunique International Limited Group consists of Feelunique International Limited company which is subject to UK corporation tax and it's French subsidiary, Feelunique France SAS, being subject to French company taxation. No UK or French taxation has been accrued for, as both companies do not have taxable profits for the year.

FEELUNIQUE INTERNATIONAL LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2017

8 Deferred tax

The Group has cumulative negative retained earnings carried forward at the year end in the sum of £13 2m This loss is derived from the business activities carried out predominately in UK prior to the transfer of the online retail business from the Jersey parent company, thebigwebsite Limited on 1 August 2015. The loss attributable to the new French business operation (acquired in November 2015) is in the sum of £0 167m A summary of the losses by jurisdiction is noted below;

	Group	UK	France
	£ m	£ m	£ m
Cumulative Negative Retained Earnings	(19.8)	(19.6)	(0.2)

The directors have considered whether a deferred tax asset should be recognised in the year end financial statements and performed a review of the financial projections for the next few years and the plan to reach break-even in the next two years.

The directors are of the view that a deferred tax asset should not be recognised in this year end financial statements due to fact that the Group continues to work through some operational restructuring activities and investment projects which may effect the timing of the recognition of the break-even and profit levels and any allowable losses during that period.

The value of the estimated deferred tax asset not yet recognised is in the sum of £3 9m

9 Intangible assets

Group	Computer Software	feelunique .com website	Feelunique France Goodwill	Total
At cost	£ 000's	£ 000's	£ 000's	£ 000's
As at 31 March 2016	14	-	747	761
Additions	322	-	-	322
Transfers from group company	853	42	-	895
As at 31 March 2017	1,189	42	747	1,978
Amortisation				
As at 31 March 2016	5	-	-	5
Charge for the year	361	3	-	364
As at 31 March 2017	366	3	-	369
Net book value				
As at 31 March 2017	823	39	747	1,609
As at 31 March 2016	9	-	747	756

Group Prior Year	Computer Software	Feelunique France Goodwill	Total
At cost	£ 000's	£ 000's	£ 000's
As at 31 March 2015	-	-	-
Additions	14	747	761
Foreign currency adjustment	-	-	-
As at 31 March 2016	14	747	761
Amortisation			
As at 31 March 2015	-	-	-
Charge for the year	5	-	5
As at 31 March 2016	5	-	5
Net book value			
As at 31 March 2016	9	747	756
As at 31 March 2015	-	-	-

9 Intangible assets (continued)

Company	Computer Software	feelunique .com website	Total
At cost	£ 000's	£ 000's	£ 000's
As at 31 March 2016	14	-	14
Additions	322	-	322
Transfers from group companies	853	42	895
As at 31 March 2017	1,189	42	1,231
Amortisation			
As at 31 March 2016	5	-	5
Charge for the year	361	3	364
As at 31 March 2017	366	3	369
Net book value			
As at 31 March 2017	823	39	862
As at 31 March 2016	9	-	9

Company Prior Year	Computer Software	Total
At cost	£ 000's	£ 000's
As at 31 March 2015	-	-
Additions	14	14
As at 31 March 2016	14	14
Amortisation		
As at 31 March 2015	-	-
Charge for the year	5	5
As at 31 March 2016	5	5
Net book value		
As at 31 March 2016	9	9
As at 31 March 2015	-	-

Computer Software

The cost of acquisition of the computer software is capitalised and shown at cost. This cost reflects the cost of the third party software at time of purchase. This intangible asset is written-off over 5 years to the Consolidated statement of comprehensive income from the date of its acquisition.

Feelunique France goodwill

Upon the acquisition of the French business, Parfumeries Rive Droite, the Company identified assets acquired and liabilities assumed. The goodwill stated above represents the goodwill recognised on acquisition. The directors reviewed for impairment at year end and they continue to monitor the carrying value of goodwill The goodwill value £747k is the goodwill value €1.06m converted at the exchange rate at the time of acquisition.

10 Property, plant and equipment

Group	Motor Vehicles £ 000's	Fixtures & fittings £ 000's	Computer Equipment £ 000's	Web Equipment £ 000's	Leasehold Improvement £ 000's	Total £ 000's
At cost						
As at 31 March 2016	7	46	149	16	140	358
Additions	-	54	35	-	316	405
Transfers from group companie	-	-	54	-	-	54
Foreign currency adjustment	2	17	-	-	41	60
As at 31 March 2017	9	117	238	16	497	877
Depreciation						
As at 31 March 2016	1	8	83	13	3	108
Charge for the year	2	22	80	2	54	160
Foreign currency adjustment	2	14	-	-	30	46
As at 31 March 2017	5	44	163	15	87	314
Net book value						
As at 31 March 2017	4	73	75	1	410	563
As at 31 March 2016	6	38	66	3	137	250

FEELUNIQUE INTERNATIONAL LIMITED

Notes to the financial statements for the year ended 31 March 2017

10 Property, plant and equipment (continued)

Group	Motor Vehicles £ 000's	Fixtures & fittings £ 000's	Computer Equipment £ 000's	Web Equipment £ 000's	Leasehold Improvement £ 000's	Total £ 000's
Prior Year:						
At cost						
As at 31 March 2015	-	13	76	15	-	104
Additions	-	1	73	1	-	75
Additions via new business combination	6	29	-	-	151	186
Disposals	-	-	-	-	(20)	(20)
Foreign currency adjustment	1	3	-	-	9	13
As at 31 March 2016	7	46	149	16	140	358
Depreciation						
As at 31 March 2015	-	3	45	8	-	56
Charge for the year	1	5	38	5	5	54
Disposals	-	-	-	-	(2)	(2)
Foreign currency adjustment	-	-	-	-	-	-
As at 31 March 2016	1	8	83	13	3	108
Net book value						
As at 31 March 2016	6	38	66	3	137	250
As at 31 March 2015	-	10	31	7	-	48

Company	Fixtures & fittings £ 000's	Computer Equipment £ 000's	Web Equipment £ 000's	Total £ 000's
At cost				
As at 31 March 2016	13	149	16	178
Additions	51	81	-	132
As at 31 March 2017	64	230	16	310
Depreciation				
As at 31 March 2016	5	83	14	102
Charge for the year	11	77	2	90
As at 31 March 2017	16	160	16	192
Net book value				
As at 31 March 2017	48	70	-	118
As at 31 March 2016	8	66	2	76

Company	Fixtures & fittings £ 000's	Computer Equipment £ 000's	Web Equipment £ 000's	Total £ 000's
Prior Year:				
At cost				
As at 31 March 2015	12	76	15	103
Additions	1	73	1	75
As at 31 March 2016	13	149	16	178
Depreciation				
As at 31 March 2015	3	45	9	57
Charge for the year	2	38	5	45
As at 31 March 2016	5	83	14	102
Net book value				
As at 31 March 2016	8	66	2	76
As at 31 March 2015	9	31	6	46

11 Inventories

	Group 2017 £ 000's	Group 2016 £ 000's	Company 2017 £ 000's	Company 2016 £ 000's
Stock for resale	8,529	6,268	7,537	5,835
(less) stock provisions	(351)	(345)	(351)	(345)
	8,178	5,923	7,186	5,490

12 Trade and other receivables

	Group 2017	Group 2016	Company 2017	Company 2016
Falling due within one year:	£000s	£000s	£000s	£000s
Trade receivables	2,742	1,343	2,725	1,273
Less: provision for impairment of receivables	-	-	-	-
Trade receivables - net	2,742	1,343	2,725	1,273
Other receivables	917	90	511	90
Prepayments and accrued income	697	657	630	576
	4,356	2,090	3,866	1,939

13 Cash and cash equivalents

	Group 2017	Group 2016	Company 2017	Company 2016
	£ 000's	£ 000's	£ 000's	£ 000's
Credit Lyonnais SA	111	19	-	-
RBS current account	540	848	540	848
	651	867	540	848

14 Borrowings

	Group 2017	Group 2016	Company 2017	Company 2016
	£ 000's	£ 000's	£ 000's	£ 000's
Current:				
Revolving loan facility	1,373	-	1,373	-
	1,373	-	1,373	-

The Group's current debt facility came into effect on 16 November 2016 and is a 3 year £4m revolving agreement
The facility carries an interest rate of 8%. Non-utilisation fees are charged at the rate of 3.2%.
Included within the amount are unamortised arrangement fees of £0 1m which are being amortised over the life of the facility

The Group had the following undrawn committed borrowing facilities available at each statement of financial position date:

	Group 2017	Group 2016	Company 2017	Company 2016
	£'000s	£'000s	£'000s	£'000s
Expiring within 1 year	2,500	-	2,500	-
	2,500	-	2,500	-

15 Trade and other payables

	Group 2017	Group 2016	Company 2017	Company 2016
Current liabilities:	£'000s	£'000s	£'000s	£'000s
Trade payables	7,870	4,590	7,326	4,411
Other taxation and social security payable	104	67	104	67
Other payables	746	1,159	746	1,158
Accruals and other deferred income	2,329	1,378	2,039	1,277
	11,049	7,194	10,215	6,913

16 Provisions

The Group had no provisions outstanding at the end of the financial year.

17 Investment in Subsidiary

	Company 2017 £ 000's	Company 2016 £ 000's
Feelunique France SAS	1,104	1,104

Name	Country of Incorporation	Shares Held	Principal activity
Feelunique France 35 Avenue Marceau, 75116, Paris	France	Ordinary €1 shares	Cosmetic and perfumery retailer

18 Amounts due to/from group companies

	Group 2017 £ 000's	Group 2016 £ 000's	Company 2017 £ 000's	Company 2016 £ 000's
Amount due to Feelunique Holding Limited	3,720	3,750	3,720	3,750
Amount due to thebigwebsite	15,833	11,531	15,706	11,478
Non-current	19,553	15,281	19,426	15,228
Amount due to Ocapel Limited	119	329	119	329
Amount due to Feelunique Delivery Company Limited	14	212	14	212
Amount due to Channel Islands Commercial Group Limited	2,831	-	2,831	-
Amount due from Feelunique France	-	-	(672)	-
Current	2,964	541	2,292	541
	22,517	15,822	21,718	15,769

The loan amounts due to Feelunique Holding Limited and thebigwebsite Limited bear interest at market rates, and are repayable on 31 December 2019. The other intercompany loans are non-interest bearing and repayable on demand.

19 Share capital

	Group Ordinary shares	Group Ordinary shares £	Company Ordinary shares	Company Ordinary shares £
Authorised:				
Ordinary £1 shares	100	100	100	100

<u>Issued, allotted and fully paid: ordinary shares at £1 each</u>

	Ordinary shares	Ordinary shares £	Ordinary shares	Ordinary shares £
Balance as at 31 March 2016	100	100	100	100
New shares issued	-	-	-	-
Repurchase of shares	-	-	-	-
Balance as at 31 March 2017	100	100	100	100

20 Retained earnings

Group

	Foreign Currency Translation Reserve £ 000's	Profit & loss Account Group £ 000's	Total Group Reserves £ 000's
Balance as at 31 March 2016	51	(13,216)	(13,165)
Loss for the year	-	(6,643)	(6,643)
Transfer to reserve during the year	226	-	226
Balance as at 31 March 2017	277	(19,859)	(19,582)

	Foreign Currency Translation Reserve £ 000's	Profit & loss Account Group £ 000's	Total Group Reserves £ 000's
Balance as at 31 March 2015 (unaudited)	-	(4,598)	(4,598)
Loss for the year	-	(8,618)	(8,618)
Transfer to reserve during the year	51	-	51
Balance as at 31 March 2016	51	(13,216)	(13,165)

20 Retained earnings (continued)

Company	Profit & loss Account £ 000's	Total Reserves £ 000's
Balance as at 31 March 2016	(13,048)	(13,048)
Loss for the year	(6,582)	(6,582)
Balance as at 31 March 2017	(19,630)	(19,630)

	Profit & loss Account £ 000's	Total Reserves £ 000's
Balance as at 31 March 2015 (unaudited)	(4,598)	(4,598)
Loss for the year	(8,450)	(8,450)
Balance as at 31 March 2016	(13,048)	(13,048)

21 Operating leases commitments

At 31 March 2017 the Group had lease agreements in respect of properties for which the payments extend over a number of years. The Group also has property leases in relation to its French subsidiary company and an operating lease in relation to the new UK warehouse in Northampton.

Total commitments under non-cancellable operating leases expiring:

	Group 2017 £ 000's	Group 2016 £ 000's	Company 2017 £ 000's	Company 2016 £ 000's
Within one year	444	624	270	463
Within two to five years	504	743	345	615
After five years	-		-	
	948	1,367	615	1,078

The Group leases various offices, warehouses and retail stores under non-cancellable operating leases expiring within one to eight years. The leases have varying terms, early break clauses and rent increase clauses. On renewal, the terms of the leases are renegotiated.

Sub-lease payments	Group 2017 £ 000's	Group 2016 £ 000's	Company 2017 £ 000's	Company 2016 £ 000's
Future minimum lease payments expected to be received in relation to non-cancellable sub-leases of operating leases	-	21	-	21

22 Cash flows from operating activities

	Group 2017 £ 000's	Group 2016 £ 000's
Operating loss	(6,565)	(8,584)
Depreciation and amortisation charge	524	59
Amortisation of reverse premium credit	-	(35)
Increase in stock	(2,255)	(5,566)
(Increase)/decrease in other debtors and prepay	(2,267)	(1,757)
Increase in trade and other creditors	6,259	5,502
Increase in provisions	(35)	1,048
Realised gains and losses in France	226	-
Cash used in operations	(4,113)	(9,333)

23 Financial risk management

The Group's activities expose it to a variety of financial risks, market risks, credit risks and liquidity risks. The Group's overall risk management programme seeks to minimise potential adverse effects on the Group's performance. Risk management is carried out by using policies and guidelines approved by the Board of Directors.

Market risk comprises cashflow and fair value interest rate risk, foreign exchange risk and commodity price risk.

Interest rate risk
As the Group has no significant interest-bearing assets or liabilities, the Group's income and operating cashflows are substantially independent of changes in the market interest rates.

Foreign currency risk
The Group's international operations consist primarily of internet sales to various customers around the world. The Group's established corporate policy towards minimising the potential foreign exchange risk is to have a fixed translation rate which is regularly monitored against international market rates. The Group did not use foreign exchange hedging instruments during the year.

The Group's exposure to foreign currency risk at the end of the year, expressed in GBP, was as follows:

	31 March 2016 EUR £ 000's
Trade and other receivables	173
Cash and cash equivalents	45
Trade and other payables	324

All other Group assets and liabilities are in GBP or currencies that have resulted in immaterial exposure to foreign currency risk.

The sensitivity to foreign currency risk as the end of the year, expressed in GBP, was as follows:

Group	2017 £ 000's	2016 £ 000's
Euro/GBP exchange rate - increase 5% ((charge)/credit)	93	95
Euro/GBP exchange rate - decrease 5% ((charge)/credit)	(103)	(199)

Company	2017 £ 000's	2016 £ 000's
Euro/GBP exchange rate - increase 5% ((charge)/credit)	5	4
Euro/GBP exchange rate - decrease 5% ((charge)/credit)	(5)	(9)

Commodity price risk
The Group is also exposed to commodity price risk for sales around the world. The prices for products is predominately determined by the world market and the activities of large international trading operations. The Company controls the prices for its products through timely changes of sales prices according to market development and competition.

Liquidity risk
Prudent liquidity risk management includes maintaining sufficient cash. The Group closely monitors its cash position and requirements on an ongoing basis to ensure that it is able to settle its financial obligations as they fall due.

All trade receivables and other receivable amounts are falling due within one year.

23 Financial risk management (continued)

All financial liabilities amounts are falling due within one year other than intercompany amounts owed to the immediate and ultimate parent companies.

In November 2016 the directors secured a new three year revolving loan facility with Barclays Bank to ensure that the Group has sufficient liquidity going forward. Directors also monitor inventory levels to ensure optimum stock turn. In addition to this, directors continue to negotiate improved credit terms from suppliers.

Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to clients, including outstanding receivables and committed transactions. The main elements that directors monitor closely is the accounts receivable especially around business partners' receivable balances and monies due from merchant payment providers.

During the year there have been immaterial losses due to non-payment of receivables and the Group does not expect any losses from the credit counterparties as held at the statement of financial position date. The directors do not consider the credit risk to be significant.

		Group 2017	Group 2016	Company 2017	Company 2016
Cash and cash equivalents *external credit rating (S&P*		£ 000's	£ 000's	£ 000's	£ 000's
A		111	19	-	-
A-3	Royal Bank of Scotland	540	848	540	848
		651	867	540	848

Capital risk management

The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal structure to reduce the cost of capital. The company has an unchanged ordinary share capital structure.

24 Related party transactions

The Company's operating expenses have been financed by its ultimate parent company, Feelunique Holding Limited, via the immediate parent company, thebigwebsite Limited during the year. These costs relate to transactions in the normal course of business in the provision of commercial, marketing, technical, PR services and warehouse fulfilment services for the Group. See note 18 for amounts due to and from related companies. There are no transactions with the directors which are outside of normal employment service agreements that require to be disclosed.

25 Contingent liabilities

There were no contingent liabilities identified at the year end.

26 Subsequent events

On 6 April 2017, the company purchased the assets of a French business called The Beautyst for the sum of €325k These assets consisted of stock €85k, customer database, supplier and commercial contracts to operate a French website and marketplace platform in France.

The fair value of the assets acquired will be determined and reported in the financial statements for the year ending 31 March 2018.

27 Ultimate controlling party

The parent company is thebigwebsite Limited, a company incorporated in Jersey, Channel Islands, whose registered office is at Unit 9, St Peters Technical Park, St Peter, Jersey, JE3 7NN (registered number 90552).

The ultimate controlling party is Palamon European Equity II LP, a limited liability partnership registered in England and Wales, whose registered office is at Cleveland House, 33 King Street, London, SW1Y 6RJ (registered number L.P. 010434).