

Wasabi Frog Limited

**Directors' report and financial
statements**

Registered number 05723154

For the year ended 29 February 2012

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Company Information

Directors

M A Kamani
C Kane
P Cvetkovic
R I Hughes
C Bale

Secretary

A Pollitt

Registered Office

49-51 Dale Street
Manchester
M1 2HF

Registered number

05723154 (England and Wales)

Auditor

KPMG LLP
St James' Square
Manchester
M2 6DS

Directors' report

The directors present their directors' report and audited financial statements for the year ended 29 February 2012

Principal activities

The principal activity of the company in the year under review was that of an internet clothing retailer

Business review

Review of the business

In light of economic circumstances the fashion industry remained a challenging marketplace during the year and the company's main focus has been to continue to grow the business through customer acquisition and investing in its infrastructure to match the anticipated growth

The company's development during the year

The directors are pleased to report that the company has continued to grow during the period. This has been achieved through the acquisition of new customers and the retention of existing customers. At the same time, we have continued to make investments in our infrastructure, IT systems, customer services and warehouse operations

The company's performance

The company has achieved another strong performance in 2011/12. Despite the challenging economic environment facing our customers, our sales grew 18% compared to the previous year. Gross profit margins increased from 51% to 53% and profit before tax grew by 79% compared to the prior year

The company's position

The company's cash position was satisfactory at the year end. Since the balance sheet date there have been no significant events affecting the company and we believe the company is equipped well for the future trading year

Use of financial instruments

Our financial risk management objectives are to ensure sufficient working capital for the company. This is achieved by careful management of our cash balances and, where necessary, by obtaining short term overdraft finance and loans. Other than this, there is no use of any financial instruments

Principal risks and uncertainties facing the company

The principal risk for the company is that of IT system failure, which would lead the company to not being able to receive and process orders. The directors consider that robust backups and controls are in place to mitigate this risk

The fashion world is often very fast paced and therefore constant monitoring over the company's products to ensure they remain current and of value to customers is vital, with obsolete stocks being marked down as and when necessary. Although the high street ladies fashion industry is continuing to face uncertainty, the online sector continues to experience rapid growth with many new entrants but the company is confident of being able to maintain previous growth levels

Proposed dividend

The directors do not recommend payment of a dividend (2011 £nil)

Directors

The directors who held office during the year were as follows

M A Kaman
C Kane
P Cvetkovic
R I Hughes
C Bale

Directors' report *(continued)*

Political and charitable contributions

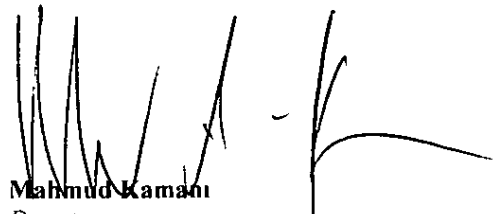
The Company made no political contributions during the year (2011 £nil) Donations to UK charities amounted to £13,894 (2011 £3,371)

Disclosure of information to auditor

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

Auditor

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



Handwritten signature of Mahmud Kaman, a director of Wasabi Frog Limited.

Mahmud Kaman
Director

29th November 2012

49-51 Dale Street
Manchester
M1 2HF

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare both the group and the parent company financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU 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 parent company and of the profit or loss for that period. In each of the group and parent company financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with IFRSs as adopted by the EU, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

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



KPMG LLP

St James' Square
Manchester
M2 6DS
United Kingdom

Independent auditor's report to the members of Wasabi Frog Limited

We have audited the financial statements of Wasabi Frog Limited for the year ended 29 February 2012 set out on pages 7 to 27. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 29 February 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the EU, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

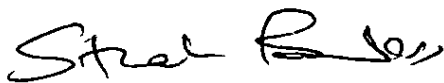
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Wasabi Frog Limited *(continued)*

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**Stuart Burdass (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants
St James Square
Manchester
M2 6DS

29 November 2012

Consolidated statement of comprehensive income
for the year ended 29 February 2012

	<i>Note</i>	2012 £	2011 £
Revenue	<i>1</i>	29,011,726	24,485,596
Cost of sales		(13,627,166)	(11,906,290)
Gross profit		15,384,560	12,579,306
Distribution costs		(6,695,338)	(5,869,363)
Administrative expenses		(8,429,542)	(6,533,539)
Operating profit		259,680	176,404
Finance expenses	<i>2</i>	(10,890)	(37,599)
Profit before tax	<i>4</i>	248,790	138,805
Taxation	<i>7</i>	-	-
Profit for the year		248,790	138,805
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive income for the period		248,790	138,805

All activities relate to continuing operations

The notes on pages 13 to 27 form part of these financial statements

Consolidated statement of financial position
at 29 February 2012

	<i>Note</i>	2012 £	2011 £
Assets			
Non-current assets			
Intangible assets	8	422,871	356 814
Property, plant and equipment	9	1,090,308	1,253,010
		<u>1,513,179</u>	<u>1,609 824</u>
Current assets			
Inventories	11	3,398,187	3,394,420
Other receivables	12	889,205	221 275
Cash and cash equivalents		1,560,206	561,559
		<u>5,847,598</u>	<u>4,177 254</u>
Total current assets		<u>5,847,598</u>	<u>4,177 254</u>
Total assets		<u>7,360,777</u>	<u>5,787,078</u>
Current liabilities			
Trade and other payables	13	(7,429,649)	(5 895,911)
Interest bearing loans and borrowings	14	(104,737)	(211 156)
		<u>(7,534,386)</u>	<u>(6,107 067)</u>
Total current liabilities		<u>(7,534,386)</u>	<u>(6,107 067)</u>
Liabilities			
Non-current liabilities			
Interest bearing loans and borrowings	14	(547,209)	(649 619)
		<u>(8,081,595)</u>	<u>(6,756,686)</u>
Total liabilities		<u>(8,081,595)</u>	<u>(6,756,686)</u>
Net liabilities		<u>(720,818)</u>	<u>(969 608)</u>
Equity			
Called up share capital	15	100,144	100 144
Share premium	15	27,857	27 857
Retained earnings	16	(848,819)	(1,097,609)
		<u>(720,818)</u>	<u>(969,608)</u>
Total equity		<u>(720,818)</u>	<u>(969,608)</u>

The notes on pages 13 to 27 form part of these financial statements

These financial statements were approved by the board of directors on 29th November 2012 and were signed on its behalf by

Mahmud Kamani
Director



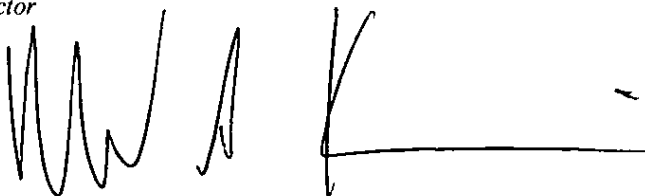
Company statement of financial position
at 29 February 2012

	<i>Note</i>	2012 £	2011 £
Assets			
<i>Non-current assets</i>			
Intangible assets	8	422,871	356,814
Property, plant and equipment	9	718,869	881,571
Investments	10	100	100
		1,141,840	1,238,485
<i>Current assets</i>			
Inventories	11	3,398,187	3,394,420
Trade and other receivables	12	1,553,636	592,713
Cash and cash equivalents		1,195,801	503,143
Total current assets		6,147,624	4,490,277
Total assets		7,289,464	5,728,762
<i>Current liabilities</i>			
Trade and other payables	13	(7,429,749)	(6,076,981)
Interest bearing loans and borrowings	14	(33,324)	(38,356)
Total current liabilities		(7,463,073)	(6,115,337)
<i>Liabilities</i>			
<i>Non-current liabilities</i>			
Interest bearing loans and borrowing	14	(547,209)	(583,033)
Total liabilities		(8,010,282)	(6,698,370)
Net liabilities		(720,818)	(969,608)
Equity			
Called up share capital	15	100,144	100,144
Share premium	15	27,857	27,857
Retained earnings	16	(848,819)	(1,097,609)
Total equity		(720,818)	(969,608)

The notes on pages 13 to 27 form part of these financial statements

These financial statements were approved by the board of directors on 29th November 2012 and were signed on its behalf by

Mahmud Kamani
 Director



Consolidated and Company Statement of Changes in Equity

	Share capital £	Share premium £	Retained earnings £	Total equity £
Balance as at 1 March 2010	100 001	-	(1,236 414)	(1,136 413)
New share capital subscribed	143	27,857	-	28 000
Total comprehensive income for the period				
Profit for the period	-	-	138,805	138,805
Total comprehensive income for the period	-	-	138,805	138 805
Balance at 28 February 2011	100,144	27,857	(1,097,609)	(969,608)
Total comprehensive income for the period				
Profit for the period	-	-	248,790	248,790
Total comprehensive income for the period	-	-	248,790	248 790
Balance at 29 February 2012	100,144	27,857	(848,819)	(720,818)

Consolidated cash flow statement
for the year ended 29 February 2012

	<i>Note</i>	2012 £000	2011 £000
Cash flows from operating activities			
Profit for the year		248,790	138,805
Adjustments for			
Depreciation charges and amortisation		349,796	382,261
Financial expenses		10,890	37,599
Operating profit before changes in working capital and provisions		609,476	558,665
Increase in inventories		(3,767)	(2,015,520)
(Increase)/decrease in trade and other receivables		(667,930)	483,948
Increase in trade and other payables		1,533,738	2,955,172
Cash generated from operations		1,471,517	1,982,265
Interest paid		(10,890)	(37,599)
Net cash inflow from operating activities		1,460,627	1,944,666
Cash flows from investing activities			
Acquisition of intangible fixed assets	8	(162,253)	(257,379)
Acquisition of tangible fixed assets	9	(90,898)	(1,048,498)
Deposit for Burnley warehouse		-	(371,439)
Net cash from investing activities		(253,151)	(1,677,316)
Cash flows from financing activities			
Proceeds from the issue of ordinary shares	15	-	28,000
Proceeds from new loan		-	335,000
Repayment of borrowings		(208,829)	(95,614)
Net cash from financing activities		(208,829)	267,386
Increase in cash and cash equivalents		998,647	534,736
Cash and cash equivalents at beginning of year		561,559	26,823
Cash and cash equivalents at end of year		1,560,206	561,559

The notes on pages 13 to 27 form part of these financial statements

Company cash flow statement
for the year ended 29 February 2012

	<i>Note</i>	2012 £000	2011 £000
Cash flows from operating activities			
Profit for the year		248,789	138,805
Adjustments for			
Depreciation charges and amortisation		349,796	382,261
Financial expenses		5,428	32,409
Operating profit before changes in working capital and provisions		604,013	553,475
Increase in inventories		(3,767)	(2,015,520)
(Increase)/decrease in trade and other receivables		(960,923)	54,167
Increase in trade and other payables		1,352,770	3,194,484
Cash generated from operations		992,093	1,786,606
Interest paid		(5,428)	(32,409)
Net cash inflow from operating activities		986,665	1,754,197
Cash flows from investing activities			
Acquisition of intangible fixed assets	8	(162,253)	(257,379)
Acquisition of tangible fixed assets	9	(90,898)	(1,048,498)
Net cash from investing activities		(253,151)	(1,305,877)
Cash flows from financing activities			
Proceeds from the issue of ordinary shares		-	28,000
Repayment of borrowings		(40,856)	-
Net cash from financing activities		(40,856)	28,000
Increase in cash and cash equivalents		692,658	476,320
Cash and cash equivalents at beginning of year		503,143	26,823
Cash and cash equivalents at end of year		1,195,801	503,143

The notes on pages 13 to 27 form part of these financial statements

Notes

(forming part of the financial statements)

I Accounting policies

Wasabi Frog Limited is a company incorporated and domiciled in the UK

The group financial statements consolidate those of the company and its subsidiary, Boo Who Limited. The parent company financial statements present information about the company as a separate entity and not about its group.

Both the parent company financial statements and the group financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"). On publishing the parent company financial statements here together with the group financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and related notes that form a part of these approved financial statements.

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

Measurement convention

The financial statements are prepared on the historical list basis except for financial instruments which are stated at amortised cost.

Going concern

The financial statements have been approved on the assumption that the company remains a going concern notwithstanding consolidated net current liabilities of £1,686,788 and net liabilities of £720,818 at 29 February 2012. The following paragraph summarises the issues and basis on which the directors have reached their conclusion.

The company has an overdraft facility which may be used to finance its day to day working capital requirements. The current economic conditions create uncertainty over the level of demand for the company's products and the availability of bank finance in the future. The directors have reviewed the company's cash flow forecasts for a period exceeding 12 months from the date of authorisation of these financial statements. Following this review, the directors have formed a judgement that, at the time of approval of the financial statements, the company has sufficient resources to continue operating for the foreseeable future including the funding of necessary capital expenditure. For the reasons noted above, the directors continue to prepare the financial statements on a going concern basis.

This overdraft facility has been renewed in September 2012 under existing terms until 30 September 2013.

Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Where parts of an item of property, plant and equipment have different useful lives they are accounted for as separate property, plant and equipment. Asset acquisitions are funded from cash rather than from borrowings.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of each item of property, plant and equipment is written off evenly over its estimated remaining useful life. Depreciation is charged to the income statement on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment, as follows:

Motor vehicles and computer equipment – 33% on cost, leasehold alterations and fixtures and fittings – 33% or 20%

Notes (continued)

1 Accounting policies (continued)

Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions

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

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

Finance payments associated with financial liabilities are dealt with as part of finance expenses. Finance payments associated with financial instruments that are classified in equity are dividends and are recorded directly in equity.

Financial risk management

The group seeks to mitigate partially against increased interest rates whilst maintaining a degree of flexibility to benefit from decreased rates of interest by holding a mix of short and longer term loans sourced both externally and from related parties.

Financial instruments

Financial instruments are recognised at fair value or amortised cost. For those recognised at fair value the gain or loss on remeasurement to fair value is recognised immediately in the income statement.

Trade and other receivables

Trade and other receivables are recorded initially at fair value. Subsequent to this they are measured at amortised cost less any impairment losses.

Trade and other payables

Trade and other payables are recorded initially at fair value. Subsequent to this they are measured at amortised cost.

Taxation

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

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Cash and cash equivalents

Cash and cash equivalents, for the purpose of the cash flow statement and the balance sheet, comprises cash in hand.

Notes (continued)

1 Accounting policies (continued)

Impairment

Non financial assets

The carrying amounts of the group's non financial assets other than inventories and deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from the other assets or group of assets. Impairment losses are recognised in the income statement.

The recoverable amount of an asset or cash generating unit is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time, value for money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Financial assets

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement.

The recoverable amount of the company's investments in receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Revenue

Turnover and profit before tax are attributable to the one principal activity of the business and represents net invoiced sales of goods, excluding value added tax. Revenue from the sale of goods is recognised when the company has transferred the goods to the buyer.

In the opinion of the directors 15% (2011 10%) of the turnover is attributable to markets outside the UK.

Intangible Assets

Intangible assets are valued at cost less amortisation. The company purchased various domain names and the registered trademark which have been included in Patents and licenses. These are expected to have an estimated useful life of 10 years and have been amortised over this period. Software purchased in the year has been amortised over its estimated life of 3 or 4 years.

Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Stock is valued on a first in first out basis.

Hire purchase and leasing commitments

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

Notes (continued)

1 Accounting policies (continued)

Financial Expenses

Interest payable is recognised in the profit and loss as it accrues

IFRSs issues not yet applied

The following new standards, amendments to standards and interpretations issued by the International Accounting Standards Board became effective during the period, but have no material effect on the Group's financial statements

IAS 24 'Related Party Disclosures (revised)'

IFRIC 19 'Extinguishing Financial Liabilities with Equity Instruments'

Improvements to IFRSs 2010

Accounting standards issued but not effective

The Company does not consider that any of the other standards or interpretations will have a significant impact on the financial statements

2 Financial expenses

	2012 £	2011 £
Bank interest	10,890	37,599

3 Expenses and auditors' remuneration

Auditor's remuneration

	2012 £	2011 £
Audit of these financial statements	16,575	14,500
<i>Disclosure below based on amounts receivable in respect of services to the company and its subsidiaries</i>		
Amounts receivable by auditors and their associates in respect of		
Audit of financial statements of subsidiaries pursuant to legislation	2,925	2 500
Other services relating to taxation	5,000	32 098
	24,500	49,098

4 Profit before income tax

	2012 £	2011 £
The profit before income tax is stated after charging		
Hire of plant and machinery	21,401	52 256
Depreciation - owned assets	253,600	304 712
Patents and licences amortisation	18,858	11 547
Computer software amortisation	77,338	66 002

Notes (continued)

5 Staff numbers and costs

The average number of persons employed by the group (including directors) during the year, analysed by category, was as follows

	Number of employees	
	Group 2012	Group 2011
Administration	70	65
Selling and distribution	64	87
	<u>134</u>	<u>152</u>

The aggregate payroll costs of these persons were as follows

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Wages and salaries	2,719,884	2,659,987	2,719,884	2,659,987
Social security costs	251,928	234,316	251,928	234,316
	<u>2,971,812</u>	<u>2,894,303</u>	<u>2,971,812</u>	<u>2,894,303</u>

6 Directors' remuneration

	2012 £	2011 £
Directors' emoluments	265,201	202,406
	<u>265,201</u>	<u>202,406</u>

The aggregate of emoluments of the highest paid director was £148,013 (2011 £112,406)

Notes (continued)

7 Taxation

	2012 £	2011 £
Analysis of credit in year		
UK corporation tax	-	-
Current tax on income for the year	-	-
Total current tax	-	-
Deferred taxation	-	-
Tax on profit on ordinary activities	-	-
The total nil tax charge differs from the amount computed by applying the UK rate of 26% (2011 28%) to income before tax as a result of the following		
Profit on ordinary activities before tax	248,790	138,805
Profit on ordinary activities multiplied by the standard rate of corporation tax on the UK of 26% (2011 28%)	64,685	38,865
<i>Effects of</i>		
Expenses not deductible for tax purposes – fixed assets	-	5,751
Expenses not deductible for tax purposes	9,952	3,187
Unrecognised tax losses utilised	(81,178)	(73,092)
Depreciation in excess of capital allowances – deferred tax not recognised	6,541	25,289
Total income tax	-	-

The 2011 Budget on 23 March 2011 announced that the UK corporation tax rate will reduce to 23% over a period of 4 years from 2011. The first reduction in the UK corporation tax rate from 28% to 27% (effective from 1 April 2011) was substantively enacted on 20 July 2011, and further reductions to 26% (effective from 1 April 2011) and 25% (effective from 1 April 2012) were substantively enacted on 29 March 2011 and 5 July 2011.

It has not yet been possible to quantify the full anticipated effect of the announced further 2% rate reduction although this will further reduce the company's future current tax charge.

Notes (continued)

8 Intangible assets

	Patents and licences	Computer software	Totals
	£	£	£
Cost			
Balance at 1 March 2010	152,116	74,265	226,381
Additions	41,198	216,181	257,379
Balance at 28 February 2011	193,314	290,446	483,760
Balance at 1 March 2011	193,314	290,446	483,760
Additions	15,228	147,025	162,253
Balance at 29 February 2012	208,542	437,471	646,013
Amortisation			
Balance at 28 February 2010	12,278	37,119	49,397
Amortisation for the year	11,547	66,002	77,549
Balance at 28 February 2011	23,825	103,121	126,946
Balance at 1 March 2011	23,825	103,121	126,946
Amortisation for year	18,858	77,338	96,196
Balance at 29 February 2012	42,683	180,459	223,142
Net book value			
At 28 February 2010	139,838	37,146	176,984
At 28 February 2011	169,489	187,325	356,814
At 29 February 2012	165,859	257,012	422,871

Intangible assets remain the same for both company and group

Notes (continued)

9 Property, plant and equipment

	Short Leasehold	Fixtures and fittings	Computer Equipment	Motor Vehicles	Totals
	£	£	£	£	£
Cost					
Balance at 1 March 2010	4,343	51,060	226,326	9,000	290,729
Additions	225,144	531,108	145,864	146,382	1,048,498
Balance at 28 February 2011	229,487	582,168	372,190	155,382	1,339,227
Balance at 1 March 2011	229,487	582,168	372,190	155,382	1,339,227
Additions	49,042	16,576	25,280	-	90,898
Balance at 29 February 2012	278,529	598,744	397,470	155,382	1,430,125
Depreciation					
Balance at 1 March 2010	2,413	25,120	122,911	2,500	152,944
Depreciation charge for the year	40,542	122,400	89,976	51,794	304,712
Balance at 28 February 2011	42,955	147,520	212,887	54,294	457,656
Balance at 1 March 2011	42,955	147,520	212,887	54,294	457,656
Depreciation charge for the year	36,126	82,090	83,590	51,794	253,600
Balance at 29 February 2012	79,081	229,610	296,477	106,088	711,256
Net book value					
At 28 February 2010	1,930	25,940	103,415	6,500	137,785
At 28 February 2011	186,532	434,648	159,303	101,088	881,571
At 29 February 2012	199,448	369,134	100,993	49,294	718,869

The consolidated property, plant and equipment balance includes the deposit paid for the Burnley warehouse (£371,439) by Boo Who Limited giving a total balance of £1,090,308 (2011 £1,253,010). The Company Property, plant and equipment balance does not include this deposit.

Notes (continued)

10 Investments in subsidiaries

The Company has the following investments in subsidiaries

Company	Country of Incorporation	Class of shares held	Ownership
Boo Who Limited	UK	Ordinary	100%

The carrying amount of this investment is £100 (2011 £100)

11 Inventories

	2012 £	2011 £
Finished goods	3,398,187	3 394 420

Inventory costs of £13,332,839 (2011 £11,547,516) and an impairment provision of £195,510 (2011 £603,071) were recognised as cost of sales during the year

12 Other receivables

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Amounts due from related party undertakings	-	-	664,431	371 439
Other receivables	63,177	25,333	63,176	25 332
Prepayments and accrued income	826,028	195,942	826,029	195 942
	<u>889,205</u>	<u>221,275</u>	<u>1,553,636</u>	<u>592,713</u>

13 Trade and other payables

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Trade payables	5,039,417	3,879,156	5,039,417	3 864 483
Amounts owed to related party undertakings	283,357	593,794	283,257	778,544
Other payables	150,064	253,702	150,064	253,702
Accruals and deferred income	976,924	911,500	976,924	911,500
VAT	979,887	257,759	979,887	268 552
	<u>7,429,649</u>	<u>5,895,911</u>	<u>7,429,749</u>	<u>6,076 981</u>

Notes (continued)

14 Interest-bearing loans and borrowings

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

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Non-current liabilities				
Secured bank loans	-	66,586	-	-
Other loans	547,209	583,033	547,209	583 033
	<u>547,209</u>	<u>649,619</u>	<u>547,209</u>	<u>583 033</u>
Current liabilities				
Current portion of secured bank loans	71,413	191,689	-	18 889
Current portion of other loans	33,324	19,467	33,324	19,467
	<u>104,737</u>	<u>211,156</u>	<u>33,324</u>	<u>38 356</u>

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Face value 2012 £	Carrying amount 2012 £	Face value 2011 £	Carrying amount 2011 £
Secured Bank Loan	£	3%	2012	71,413	71,413	239 386	239 386
Secured Bank Loan	£	15%	2012	-	-	18,889	18,889
Carbon Trust Loan	£	0%	2014	80,533	80,533	90,000	90 000
Other Loan	£	0%	2013	500,000	500,000	512,500	512 500
				<u>651,946</u>	<u>651,946</u>	<u>860,775</u>	<u>860 775</u>

15 Share capital and share premium

	2012 £	2011 £
Authorised, allotted, called up and fully paid		
22,686 ordinary shares of 1p each (2011 22,686 ordinary shares of 1p each)	227	227
9,991,700 Irredeemable Preference shares of 1p each	99,917	99 917
Share Premium	27,857	27 857
	<u>128,001</u>	<u>128 001</u>

During the prior year the Company issued 22,686 1p ordinary shares for a consideration of £28,000, settled in cash

Notes (continued)

16 Reserves

	Retained earnings £
At 28 February 2010	(1,236,414)
Total comprehensive income for the year	138,805
At 28 February 2011	(1,097,609)
At 1 March 2011	(1,097,609)
Total comprehensive income for the year	248,790
At 29 February 2012	848,819

17 Related party disclosures

Jalal Kamani, Nurez Kamani, Mahmud Kamani and Rabia Kamani are shareholders in Wasabi Frog Limited. Each owns 25% of the company's share capital.

Included in trade creditors is a balance of £Nil (2011 £3,752) payable to Jogo Associates Limited, a company in which J A Kamani is interested in as director and shareholder, and N A Kamani, R Kamani, and M A Kamani are interested in as shareholders. Included in other creditors at the year end is a balance of £4,916 (2011 £8,480). Transactions with Jogo Associates Limited during the year were as follows:

	2012 £	2011 £
Purchases	8,796	1,688,726

Included in trade creditors is a balance of £5,781 (2011 £11,424) payable to Loud (UK) Limited, a company in which N A Kamani has interests as a director and shareholder. Included in other debtors at the year end is a balance of £1,634 (2011 1,634). Transactions with Loud (UK) Limited during the year were as follows:

	2012 £	2011 £
Purchases	214,768	188,865

Notes (continued)

18 Related party disclosures (continued)

Included in trade creditors is a balance of £1,940,575 (2011 £1,782,553) payable to The Pinstripe Clothing Company Limited, a company in which J A Kamani, M A Kamani, R Kamani and N A Kamani are interested in as directors and shareholders. Included in other creditors at the year end is a balance of £278,441 (2011 £577,767). Transactions with The Pinstripe Clothing Company Limited during the year were as follows:

	2012 £	2011 £
Purchases	13,386,736	10,225,839

Included in trade creditors at the year end is a balance of £800,060 (2011 £365,039) payable to Red Orange Limited, a company in which M A Kamani, N A Kamani and C Kane are interested in as directors and shareholders. Included in other debtors at the year end is a balance of £13,885 (2011 £2,497). Transactions with the Red Orange Limited during the year were as follows:

	2012 £	2011 £
Purchases	2,101,598	2,386,169

Included in trade creditors is an amount of £81,769 (2011 £36,451) due to East (So-Sho) Limited, a company in which R Kamani, N Kamani and A B Kamani are interested in as directors and shareholders. Included in other debtors at the year end is a balance of £1,598 (2011 £672). Transactions with the East (So Sho) Limited during the year were as follows:

	2012 £	2011 £
Purchases	287,466	280,890

Included in trade creditors at the year end is a balance of £24,984 (2011 £109,758) payable to Kamani Commercial Property Limited, a company in which M A Kamani, J A Kamani, and N A Kamani are interested in as directors. Included in other creditors at the year end is a balance of £24,416 (2011 £16,026).

	2012 £	2011 £
Rent and service charge	414,526	642,061

Included in trade creditors is an amount of £3,169 (2011 £1,443) due to Kamani Construction Limited, a company in which M A Kamani, N A Kamani and J Kamani are interested in as directors. Included in other debtors at the year end is a balance of £2,166 (2011 £535). Transactions with Kamani Construction Limited during the year were as follows:

	2012 £	2011 £
Purchases	28,054	166,244

Notes (continued)

19 Financial instruments

(a) Fair values of financial instruments

Trade and other receivables

The fair value of trade and other receivables, excluding construction contract debtors, is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material

Trade and other payables

The fair value of trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material

Cash and cash equivalents

The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the balance sheet date

Interest-bearing borrowings

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date

Fair values

The fair values of all financial assets and financial liabilities by class together with their carrying amounts shown in the balance sheet are as follows

Group	Carrying amount 2012 £	Fair value 2012 £	Carrying amount 2011 £	Fair value 2011 £
Cash and cash equivalents	1,560,206	1,560,206	561,559	561,559
Total financial assets	1,560,206	1,560,206	561,559	561,559
Group	Carrying amount 2012 £	Fair value 2012 £	Carrying amount 2011 £	Fair value 2011 £
Financial liabilities measured at amortised cost				
Other interest-bearing loans and borrowings	651,946	651,946	860,775	860,775
Trade and other payable	7,429,649	7,429,649	5,895,911	5,895,911
Total financial instruments	8,081,595	8,081,595	6,756,686	6,756,686

Notes (continued)

19 Financial instruments (continued)

Company	Carrying amount 2012 £	Fair value 2012 £	Carrying amount 2011 £	Fair Value 2011 £
Cash and cash equivalents	1,195,801	1,195,801	503,143	503,143
Total financial assets	1,195,801	1,195,801	503,143	503,143

Company	Carrying Amount 2012 £	Fair value 2012 £	Carrying amount 2011 £	Fair Value 2011 £
Financial liabilities measured at amortised cost				
Other interest-bearing loans and borrowings	580,533	580,533	621,389	621,389
Trade and other payables	7,429,749	7,429,749	6,076,981	6,076,981
Total financial instruments	8,010,282	8,010,282	6,698,370	6,698,370

(b) Credit risk

Financial risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities

The group and company faces minimal credit risk as customers pay for their orders in full at the time of purchase

(c) Liquidity risk

Financial risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due

The Group's approach to managing liquidity is to use both short-term and long-term cash forecasts to assist in monitoring cash flow requirements. The group renewed their £1.5m overdraft facility which now expires in September 2013

Notes (continued)

20 Operating Leases

Non-cancellable operating lease rentals are payable as follows

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Less than one year	43,750	128,139	43,750	128,139
Between one and five years	-	43,750	-	43,750
More than five years	-	-	-	-
	<u>43,750</u>	<u>171,889</u>	<u>43,750</u>	<u>171,889</u>

The Group leases a warehouse facility under an operating lease

Group and Company

During the year £105,000 was recognised as an expense in the income statement in respect of operating leases (2011 £131,278)

21 Commitments

Boo Who Limited, a subsidiary of Wasabi Frog Limited, had a commitment to purchase the warehouse in Burnley for £3,700,000 on 27 July 2012. This purchase was completed on 27 July 2012 and financed using cash and external financing.

22 Contingencies

There were no contingent liabilities or assets to be disclosed as at the balance sheet date.

23 Subsequent Events

There were no other events subsequent to the balance sheet date and before the issue of these financial statements that have had a significant impact on the company.