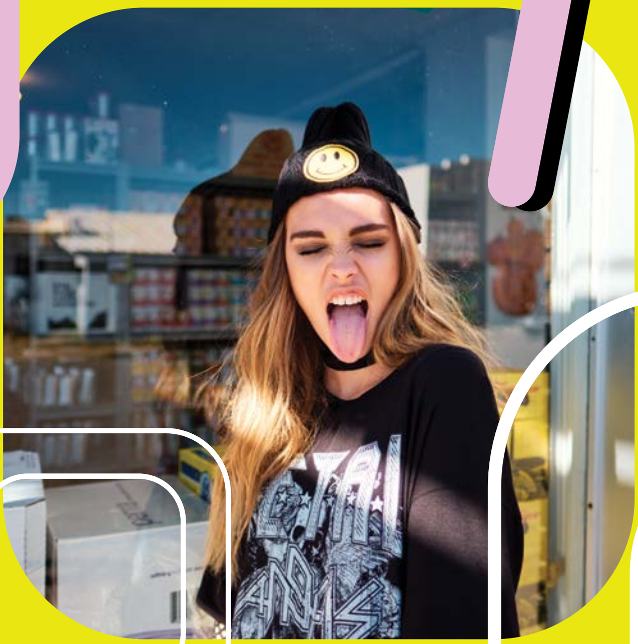


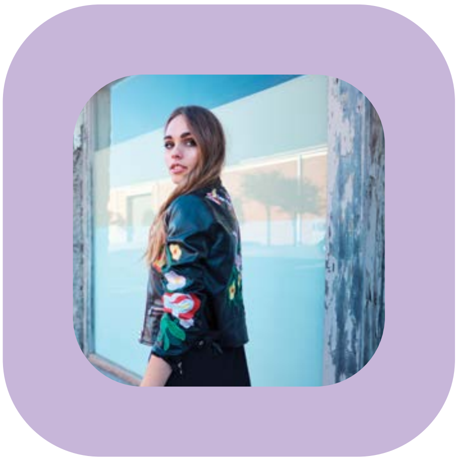
BOOHOO.COM PLC
ANNUAL REPORT
AND ACCOUNTS 2017

WELCOME

BOOHOO.COM PLC
A LEADING ONLINE
FASHION RETAIL GROUP

BOOHOO.COM PLC IS A LEADING ONLINE FASHION RETAIL GROUP. ITS BRANDS BOOHOO, BOOHOOMAN, PRETTYLITTLETHING AND NASTY GAL TARGET FASHION-CONSCIOUS 16 TO 30 YEAR OLDS IN THE UK AND INTERNATIONALLY.

READ MORE ABOUT OUR HIGHLIGHTS OF THE YEAR
PAGE 02



READ MORE ABOUT OUR AWARD WINNING BUSINESS
PAGE 04

READ MORE ABOUT OUR PERFORMANCE DURING THE YEAR
PAGE 12

VISIT US ONLINE AT
WWW.BOOHOOPLC.COM

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FINANCIAL HIGHLIGHTS

GROUP

- Revenue £294.6 million (2016: £195.4 million)
- Gross margin 54.6% (2016: 57.8%)
- Adjusted EBITDA[1] £35.6 million, 12.1% of revenue (2016: £18.7 million, 9.6%)
- Profit before tax £30.9 million (2016: £15.7 million)
- Strong balance sheet with net cash of £58.4 million (2016: £58.3 million), after capital expenditure and acquisition of Nasty Gal

boohoo

- Revenue £283.4 million, up 45% (44% CER[2])
  - UK up 33%, rest of Europe up 50% (44% CER), USA up 140% (119% CER), rest of world up 40% (42% CER)
  - 39% of revenue is generated outside the UK
- Gross margin 54.5%, down 330bps, driven by planned investments in the customer proposition (retail gross margin 56.1% (2016: 58.8%))

PRETTYLITTLETHING

RESULTS FROM 3 JANUARY 2017:

- Revenue £11.2 million
- Strong growth of revenue and active customers
- Gross margin 57.5%

	2017 £000	2016 £000	Change
Revenue	294,635	195,394	+51%
Gross profit	160,829	112,911	+42%
Gross margin	*54.6%*	*57.8%*	*-320bps*
Adjusted EBITDA[1]	35,563	18,711	+90%
% of revenue	*12.1%*	*9.6%*	*+250bps*
Profit before tax	30,945	15,674	+97%
Net cash at year end[3]	58,420	58,281	+£0.1m
Basic earnings per share	2.19p	1.11p	+97%

1 Adjusted EBITDA is calculated as profit before tax, interest, depreciation, amortisation, share-based payment charges and option gain on PrettyLittleThing acquisition (see page 19).
2 CER designates Constant Exchange Rate translation of foreign currency revenue.
3 Net cash is cash less borrowings.
4 Active customers defined as having shopped in the last year.

STRATEGIC REPORT
GOVERNANCE
FINANCIAL STATEMENTS

OPERATIONAL HIGHLIGHTS

GROUP

- Acquisition of majority interest in PrettyLittleThing on 3 January 2017
- Acquisition of the intellectual property of Nasty Gal on 28 February 2017
- Warehouse extension completed and in use

boohoo

- 5.2 million active customers[4], up 29% on prior year
- UK, USA and Australian apps launched and responsive websites introduced for European sites, improving mobile and tablet offering (now 70% of sessions)
- USA, Ireland and Europe websites migrated to new platform
- International growth accelerated through focus on key markets
- Expansion of product range driving growth and brand appeal

PRETTY LITTLE THING

- Acquisition of majority interest, results incorporating two months of profitable trading
- 1.3 million active customers
- Investment in new offices and upgraded systems
- Increasing international exposure
- Building a successful team to support rapid growth

REVENUE

2017 £294.6m

2016 £195.4m

2015 £139.9m

ADJUSTED EBITDA

2017 £35.6m

2016 £18.7m

2015 £14.1m

A WINNING BUSINESS

AT A GLANCE BOOHOO.COM PLC IS A LEADING ONLINE FASHION RETAIL GROUP, HOME TO PURE-PLAY FASHION BRANDS WITH A PRESENCE IN THE UK AND GLOBALLY

AWARDS

The group continues to be recognised externally for both its product and online shopping experience and has won numerous awards.

2013

boohoo
Lorraine Awards – Best Online Retailer

PrettyLittleThing
Fabulous High Street Fashion awards – Fabulous online Boutique

2014

boohoo
Reveal Online Fashion Awards – Best for a Bargain, Best one-stop Shop, Best on-line Shop of the Year
Lorraine Awards – Best Online Retailer
Cosmopolitan Magazine Fashion Awards – Best for Curves
U Magazine High Street Style awards – Best on-line Retailer
Fabulous High Street Fashion awards – Fabulous online one-stop Shop, Fabulous for Curves
Manchester Evening News – Business of the Year (over £100 million)
Drapers awards – Best Fashion Pure-play Etailer of the Year

PrettyLittleThing
Fabulous High Street Fashion awards – Best fashion online boutique

2015

boohoo
Lorraine High Street Award win Best On-Line retailer
Special achievement award – Burnley Business Awards
U magazine (Ireland) – winners Best Exclusive Online Store
Fabulous High Street Fashion Awards – Best Place to shop for Fashion under £30, best Party Wear

2016

boohoo
Lorraine High Street Award win Best On-Line Retailer, Best Curvy Collection
Best Online Retailer – Cosmopolitan #FashFest Fashion Awards
Best Exclusive Online Retailer – U Magazine High Street Awards
Fabulous High Street Awards – Best for Partywear, Best for Curves, Best Online shop, Best for under £30

2017

boohoo
UK Stock Market Awards – AIM Company of the Year, Growth Company of the Year

REVENUE BY REGION

UNITED STATES

£40.4m

TOTAL REVENUE BY REGION

REST OF EUROPE

£34.7m

TOTAL REVENUE BY REGION

UNITED KINGDOM

£182.0m

TOTAL REVENUE BY REGION

REST OF THE WORLD

£37.5m

TOTAL REVENUE BY REGION

ABOUT OUR GROUP AND OUR BRANDS

GROUP STRUCTURE AND BRANDS BOOHOO.COM PLC OWNS THE BRANDS BOOHOO, BOOHOOMAN, PRETTYLITTLETHING AND NASTY GAL AND DESIGNS, SOURCES, MARKETS AND SELLS CLOTHING, SHOES, ACCESSORIES AND BEAUTY PRODUCTS TARGETED AT 16-30 YEAR OLD CONSUMERS IN THE UK AND INTERNATIONALLY. THE GROUP HAS A STRONG PRESENCE IN THE UK, US, IRELAND AND AUSTRALIA, AND SELLS PRODUCTS TO CUSTOMERS IN ALMOST EVERY COUNTRY IN THE WORLD.

boohoo

Founded in Manchester in 2006, boohoo is an inclusive and innovative brand targeting young, value-orientated customers. For over ten years, boohoo has been pushing boundaries to bring its customers up-to-date and inspirational fashion, 24/7. boohoo has grown rapidly in the UK and internationally, expanding its offering with range extensions into menswear and children's wear, through boohooMAN and boohooKIDS, and now has over five million active customers.

boohoo has a strong presence in the UK, Ireland, USA and Australia and sells products to customers in almost every country in the world. Currently the group operates through English, French, German, Italian and Spanish language websites. Products are designed, sourced and subsequently distributed globally from a central UK warehouse. Hundreds of products are added to the website each week, uploaded via our on-site photography and art studio and displayed in gallery photos. The speed and agility of the group ensures it is first to market with the latest on-trend styles and fashion.

PRETTYLITTLETHING

The group acquired a 66% interest in PrettyLittleThing.com Limited on 3 January 2017.

Founded in 2012, PrettyLittleThing originated as an accessories-only website. Since then it has grown into a forward-thinking fashion brand aimed at bringing affordable style to female fashion breakers and makers. It has experienced rapid growth since inception and continues to grow rapidly. The business is all about the right here, right now, not just anticipating trends but creating them, taking inspiration from the catwalk, celebrities and influencers and making sure they are available for the customer to shop online before they are available anywhere else. PrettyLittleThing now has over one million customers.

NASTY GAL

The group acquired the Nasty Gal brand (trademarks and customer lists) on 28 February 2017.

Founded by Sophia Amoruso in 2006, Nasty Gal is a bold and distinctive brand for fashion-forward, free-thinking young women, offering limited edition clothing to a global audience. The brand's largest market has been in the USA and has a global reach with enormous potential for growth.

THE GROUP
BOOHOO.COM PLC

OUR BRANDS

boohoo
boohooMAN
PRETTYLITTLETHING
NASTY GAL

WHAT WE DO

SELL
DESIGN
MARKET
SOURCE

CLOTHES
SHOES
ACCESSORIES
BEAUTY PRODUCTS

TARGET GROUP

Globally

16 TO 30
YEAR-OLDS

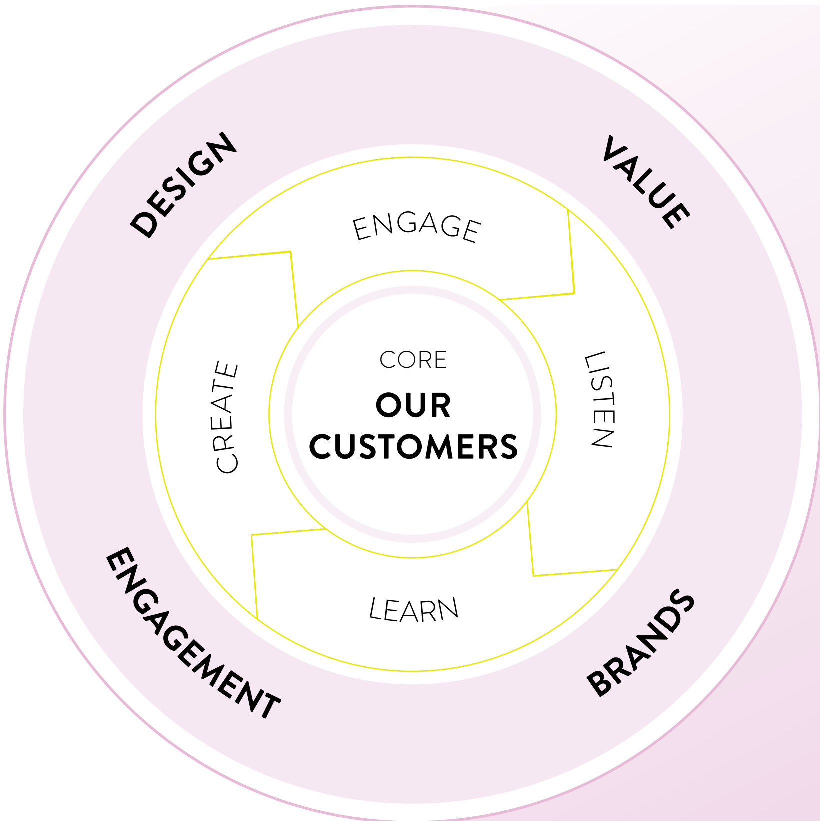
On own website and other online third parties'

HOW WE RUN OUR BUSINESS

OUR BUSINESS MODEL, AMBITION AND STRATEGY

"WE ARE ENTIRELY FOCUSSED ON OUR CUSTOMERS AND EVERY ELEMENT OF OUR MODEL BEGINS AND ENDS WITH THEM. WE ENGAGE, WE LISTEN, WE LEARN, WE CREATE AND REPEAT."

BUSINESS MODEL



DESIGN

Our speed, agility and market knowledge ensures we deliver attention-demanding, aspirational style before others.

VALUE

Our sourcing ability and supply chain management delivers outstanding product value.

BRANDS

We are differentiated by our inclusiveness, the breadth of our product ranges and the way we connect with customers.

ENGAGEMENT

Through two-way social media contact, we recruit, connect with and constantly learn from our brand evangelists.

OUR VISION AND AMBITION

The group's ambition and growth prospects are underpinned by forecast growth in both the domestic and international online fashion retail markets, a highly efficient product sourcing model and a robust infrastructure development plan.

Our vision is to be the leading e-commerce fashion market for 16 to 30 year-olds, which we will drive through our strategic priorities: **Insight, Investment, Innovation and Integration.**

OUR STRATEGIC PRIORITIES	DESCRIPTION
INSIGHT	**CREATING A COMPETITIVE CUSTOMER PROPOSITION**
INVESTMENT	**DELIVERING ORGANIC GROWTH TO INCREASE MARKET SHARE**
INNOVATION	**DRIVING CUSTOMER ENGAGEMENT**
INTEGRATION	**INTEGRATING NEW BRANDS**

BRAND

boohoo

boohoo's product strategy is to continue to grow womenswear in plus, tall and petite sizes, extend the range of accessories and fashion footwear, develop lingerie, maternity and beauty lines, to offer a comprehensive range of clothing, footwear and accessories under the boohooMAN brand and grow children's wear ranges.

PRETTY LITTLE THING

PrettyLittleThing's product strategy is to be a youthful trend leader in online women's fashion, offering a wide range of products at great prices, supported by an engaging global social media presence.

NASTY GAL

The newly acquired Nasty Gal brand has strong consumer awareness, particularly in the USA, and an even greater global potential. We will capitalise on the unique DNA of the brand's heritage through the creation of distinct, aspirational fashions.

YEAR OF GROWTH AND DIVERSIFICATION

CHAIRMAN'S STATEMENT "THIS YEAR HAS BEEN MARKED BY IMPRESSIVE GROWTH AND OUTSTANDING PROFITABILITY. THE DIVERSIFICATION OF THE GROUP WITH THE ACQUISITION OF PRETTYLITTLETHING AND NASTY GAL IS A MILESTONE IN THE GROUP'S DEVELOPMENT AND PROVIDES EXCITING OPPORTUNITIES FOR GROWTH GLOBALLY."

I am delighted to report another year of great success and strong progress for the group. It was also a year in which the group diversified through the acquisition of two highly successful brands, PrettyLittleThing and Nasty Gal, which is a milestone in the group's development. PrettyLittleThing was acquired in January 2017 and the intellectual property of Nasty Gal was acquired at the year end.

Revenue growth was 51%, reaching a record £295 million, with strong growth in all geographic regions. This included two months' trading of PrettyLittleThing, with revenues amounting to £11 million. The UK remains the group's largest market, where growth in boohoo's revenue has been an enviable 33%. Overseas revenue growth in boohoo has been very robust, with the USA leading at an impressive 140% (119% CER), the rest of Europe growing by 50% (44% CER) and rest of world by 40% (42% CER).

Profitability of the group was also excellent with adjusted EBITDA of £36 million, up 90% on the prior year, equating to 12.1% of revenue compared to 9.6% in the prior year, whilst profit before tax reached £31 million, up 97%. Earnings per share was 2.19p compared to 1.11p last year.

The combined might of three highly successful women's brands, boohoo, PrettyLittleThing and Nasty Gal and the ascendant men's brand, boohooMAN, will be a formidable force in the e-commerce clothing market as the group expands in future years. Young customers throughout the world continue to migrate in greater numbers towards online shopping, where convenience, choice, pricing and up-to-date fashion are keenest.

The success of the group is underpinned by continuous investment in technology, systems, physical infrastructure and the excellence of its people. In the last year the group brought a new warehouse extension into use, migrated major websites to new platforms and made significant advances in analytics. These developments will ensure the group retains its commanding position in delivery, customer service and user experience and can accommodate the scale of future growth.

I wish to congratulate Mahmud, Carol and the management team on another year of outstanding success and to recognise the contribution that each employee makes to the success of the group. People are our greatest asset and I extend my thanks to every employee and to our partners in business who have made this achievement possible.

PETER WILLIAMS
Chairman

25 April 2017

CUSTOMER PROFILES

To support more effective marketing and assist in range development, boohoo researched its customers' lifestyle preference and created five profiles:

1. STREET STYLER
2. EFFORTLESS STYLE
3. SHOPAHOLIC
4. BOSS CHICK
5. FREE SPIRIT

PERFORMANCE DURING THE YEAR

REVIEW OF THE BUSINESS “REVENUE GROWTH ACROSS ALL BRANDS WAS ROBUST, WHILST MARGINS INCREASED, LEADING TO A DOUBLING OF PROFIT BEFORE TAX.”

£294.6m
GROUP REVENUE 2017

£35.6m
ADJUSTED EBITDA 2017

OVERVIEW

Group revenue for the year increased to £294.6 million, an increase of 51% (49% CER) on the previous year. Revenue includes two months of trading from PrettyLittleThing, of which a 66% interest was acquired on 3 January 2017, with revenues amounting to £11.2 million.

Adjusted EBITDA was £35.6 million (2016: £18.7 million), an increase of 90% on the prior year with overhead efficiencies leading to an improvement in adjusted EBITDA margins to 12.1% (2016: 9.6%). Profit before tax was £30.9 million (2016: £15.7 million), an increase of 97%.

Earnings per share rose to 2.19p, an increase of 97% (2016: 1.11p).

During the year boohoo and PrettyLittleThing both performed extremely well in the UK and overseas and we are very encouraged by the prospects of rapid growth in our key markets. The performance of each brand is discussed in more detail below.

boohoo, PrettyLittleThing and, from the 2018 financial year onwards, Nasty Gal will operate independently of each other from a brand perspective, with separate management teams and a distinct customer proposition, whilst leveraging the over-arching benefits of the group and shared service functions.

The company has an option to buy the non-controlling interest of 34% of the share capital of PrettyLittleThing.com Limited on 14 March 2022 for market value or less, subject to performance criteria.

boohoo

Performance

Revenue for the year increased to £283.4 million, up 45% (44% CER) on the previous year.

Growth in the UK, our largest market, was 33%, with revenue reaching £173.2 million.

In overseas markets, our growth has been very robust. In the USA, growth was 140% (119% CER) and revenue was £39.6 million, driven by our successful customer proposition and the cumulative benefits of effective marketing to grow the customer base. Growth in the rest of Europe was 50% (44% CER) and in the rest of the world was 40% (42% CER).

Additional breadth in the product range has contributed to revenue growth, with several new product categories introduced in the year. A key focus during the year has been on the efficiency of marketing and overheads, which have been reduced as a percentage of revenue.

Fashion

Our aim is to offer the customer the best prices and the widest choice in fashion. We stock over 29,000 styles and keep this offering fresh and up-to-date with the very latest fashion trends with over 100 new styles arriving each week. Our test-and-repeat model reduces stock holding risk, whilst rapid response enables us to reorder strong selling lines to quickly satisfy demand.

The performance of core womenswear ranges of dresses, tops, jackets and footwear has continued to be strong, whilst our continually expanding ranges have generated robust revenue growth: plus-size and petite have grown strongly and attained a high level of revenue and the more recently-introduced tall and lingerie ranges have made a very promising start.

The “Stylefix” section of the website is the place where female customers can enjoy keeping up with fashion trends through highly engaging lifestyle content. Customers can get fashion tips, watch videos and read interesting

articles by bloggers as well as contributing to the site themselves.

Menswear sales have doubled over the previous year as the product range has expanded and the launch of the separate boohooMAN website earlier in the year helped better focus the proposition on a male audience. The boohooMAN site has an appealing fashion and lifestyle section, the MANual, which further enriches the shopping experience.

In the second half of the year we introduced boohooKIDS, a range of children's clothing for girls and boys in the 5 to 12 age range, which was highly successful. We also introduced a small maternity range. We plan to build on the early success of these ranges in 2017.

Marketing
Our highly successful "WeAreUs" campaigns continue to promote brand visibility across TV, traditional media, events and social media channels. The campaigns have become synonymous with the brand and continue to contribute to attract new customers whilst also ensuring existing customers are constantly engaged with the brand. We continue to make use of social media platforms for marketing and our campaigns are used alongside the ongoing blogger, influencer and ambassador outreach. This delivers bespoke user-generated content, promoting the brand and the latest products on both boohoo and third party influencer channels. The influencer community continues to play an integral part in our marketing efforts and we have worked with hundreds of bloggers and influencers across our key geographic markets in the last 12 months.

boohoo contributors and student ambassador programmes complement the ongoing outreach, helping us to develop new talent

REVIEW OF THE BUSINESS CONTINUED

in the ever-changing influencer landscape. Contributors and ambassadors deliver evergreen content which is published across both boohoo's and their own social channels as well as our consumer facing online magazine "The Fix".

Our work with celebrities, developing fashion collaborations and staging of events, has supported our growth and helped us reach a large audience. International curve model and blogger Jordyn Woods, worked with us on a collaboration in the summer and the launch party for her range in Los Angeles attracted many "A list" celebrities and influencers. Pop-up stores were set up in both Paris and Los Angeles to promote the boohoo brand amongst students. Our US efforts have been supported by #boohooontheroad, a cross-country road tour showcasing the boohoo brand to students on spring break. This took place in six cities and finished at the world famous music festival, Coachella. The brand offering has expanded with the introduction of boohooKIDS and maternity. We sponsored Graduate Fashion Week in the UK and staged a number of media events, which further increased awareness of the brand.

The boohooMAN.com website was launched in March 2016, with celebrities fronting promotional activity. This has contributed to an acceleration in menswear sales, supported by a continuously increasing product range and marketing activity focused on the young male audience. We have also undertaken a series of shoots with key influencers, who have global followings.

Through the use of advanced analytical tools and techniques, we have been able to target marketing activities more effectively. Customer surveys have also assisted in identifying efficient campaigns. Reaching new customers through social media is an integral part of our strategy that we have given special attention to in the last six months, which has seen our average weekly post reach on Facebook rise from 70,000 to between 15 and 20 million on average. With increased exposure globally on Facebook Live, Snapchat, Instagram and Instagram stories, this has contributed to both brand awareness and revenue growth.

Customer interaction
The number of active customers, who shopped with boohoo in the last 12 months, increased by 29% to 5.2 million and the number of website sessions grew by 21% to 249 million. Order frequency has risen by 3%, with customers placing an order with us, on average, 2.1 times in 12 months. Conversion rate to sale improved from 4.0% to 4.4% of sessions. On social media we have 4.4 million followers on Instagram, 3.1 million Facebook likes, 0.5 million followers on Twitter and 0.7 million views recorded on YouTube.

We have invested heavily in training and development of our customer services function to support the rapid growth of the business, with coaches providing constant support to advisers. We have also created first and second line teams, which allows more complex and time-consuming customer issues to be resolved by specialists. Live chat has been introduced on the website in response to requests via customer surveys and has been very well received. Increasingly customers prefer to use social media to contact us because of its convenience and we are proud that we typically respond to queries within one hour.

boohoo customers are able to choose from a range of delivery options, which we are constantly refining as new opportunities become available. We operate a midnight cut-off for next day delivery, Sunday delivery and collect+ returns in the UK. In the second half of the year we introduced boohoo Premier, which offers an unlimited next day delivery service in the UK for an annual fee, and has received a very favourable customer response.

Technology
Apps continue to grow in popularity for shopping on mobile devices, with mobile devices accounting for 70% of sessions (up from 66% last year). We will be launching more country-specific apps during 2017, following on from those already in use in our key UK, USA and Australian markets, which have achieved 2.2 million downloads to date. The existing app platform will also be upgraded, in line with our strategy of continually improving app functionality and customer experience.

In the second half of the year, the US and certain European websites were transferred to a new platform, delivering faster performance for the consumer as well as more systems flexibility. All other markets will be gradually transitioned to this platform in 2017, with the benefit of efficiency and cost savings upon completion.

New channels and changing trends are facilitated by our systems architecture, built around the concept of multiple customer channels supported with common infrastructure. Around this architecture, we will continue to make significant investments in the latest sophisticated and most stable platforms in 2017.

Warehouse
The warehouse was expanded by three more mezzanine floor layers, increasing capacity by another 275,000 square feet to 525,000 square feet total capacity, sufficient for medium term future growth. A second warehouse extension, which will incorporate a significant amount of automation, has received planning permission and building will commence in mid-2017.

We are investing in a substantial refurbishment and expansion of welfare facilities at the warehouse, which will include an enlarged new canteen, rest area and gym to be completed by summer 2017.

People
We made one additional senior management appointment during the year, that of supply chain director, following a number of senior appointments last year. We appointed a number of skilled middle-management positions and undertook several large-scale training and development programmes as part of our up-skilling and retention policy for staff development.

The rate of growth in revenue has required an increase in personnel in the volume-related functions in customer service and warehousing. The total permanent workforce now stands at 1,415, up from 1,015 at 29 February 2016.

PRETTYLITTLETHING

Performance
PrettyLittleThing has contributed two months' revenue since the acquisition on 3 January 2017, amounting to £11.2 million. Revenue growth for these two months is 210% up on the same period last year and 12 month revenue growth was 225%.

Fashion
Our focus continues to be on further establishing the brand as a trend leader, selecting unique designs for the price-conscious consumer with a rapid reaction to fashion trends. We provide our consumers the hottest fashions delivered from a youthful and informal company culture for the social media generation. We are expanding our product range with additions in our shape ranges, plus size and petite and developing accessory ranges and beauty products.

REVIEW OF THE BUSINESS CONTINUED

Marketing
We see social media as the key to reaching our target consumers and have a diverse team of creatives who produce innovative video content for Facebook, YouTube and Instagram to engage with our audience. Stunningly-shot campaigns, beauty advice and fashion styling tips provide an abundance of irresistible content for young consumers, cementing our relationship as a fashion friend.

Customer interaction
Great customer service is our priority and we provide customers with the ability to contact us via a variety of social media channels, including WhatsApp. A French language website is planned for 2017, with local language support from customer services. A large range of delivery options are available to customers, including nominated day delivery, collect+ and an annual fee premier service in the UK. We have 0.8 million followers on Facebook, 0.3 million followers on Twitter, 1.5 million Instagram followers, 2.0 million YouTube views as well as a presence on several other social media channels.

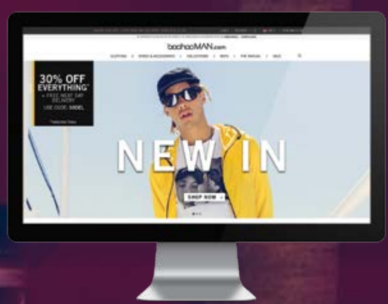
Technology
We have android and iOS apps for the UK and will roll out an app for the US market in 2017. There has been significant investment and development in the IT architecture during the year and much planned for 2017, with some systems scheduled to move to cloud providers. The IT department has been substantially strengthened to enable us to meet the requirements of the growing business.

People
A great deal of effort has been put into recruiting a talented team during the year. The total permanent workforce now stands at 147.

LAUNCH OF BOOHOOMAN

Expanding our market share, we launched the boohooMan website with content appealing to the young male audience.

boohooMan has also been supported by its own TV and marketing campaigns as the brand gathers momentum.



FROM STRENGTH TO STRENGTH

FINANCIAL REVIEW THE GROUP HAS ACHIEVED A STRONG PERFORMANCE WITH REVENUES AND PROFITS INCREASING IN ALL TERRITORIES.

KEY PERFORMANCE INDICATORS

1 Defined as having shopped in the last year.
2 Defined as number of orders in last 12 months divided by number of active customers.
3 Defined as the percentage of orders taken to internet sessions.
4 Calculated as gross sales including sales tax divided by the number of orders.

BOOHOO

ACTIVE CUSTOMERS [1]

2017	5.2m	+29%
2016	4.0m	

NUMBER OF ORDERS

2017	11.1m	+33%
2016	8.3m	

ORDER FREQUENCY [2]

2017	2.13	+3%
2016	2.07	

CONVERSION RATE TO SALE [3]

2017	4.4%	+40 bps
2016	4.0%	

AVERAGE ORDER VALUE [4]

2017	£37.76	+12.4%
2016	£33.59	

NUMBER OF ITEMS PER BASKET

2017	2.89	+10.3%
2016	2.62	

Active customer numbers have increased by 29% compared to the previous 12 month period as we continue to grow our customer base and retain existing customers. Conversion rates have increased to 4.4%, supported by our attractive proposition. Average order value has risen by 12.4% to £37.76 driven by the number of items per basket increasing by 10.3% to 2.89 and by the greater proportion of international business, which has a higher average order value than the UK business.

PRETTYLITTLETHING

ACTIVE CUSTOMERS [1]

2 months	2017	1.3m	+138%
12 months	2017	1.3m	
12 months	2016	0.5m	

NUMBER OF ORDERS

2 months	2017	0.5m	+176%
12 months	2017	2.6m	
12 months	2016	0.9m	

ORDER FREQUENCY [2]

2 months	2017	2.0	+11%
12 months	2017	2.0	
12 months	2016	1.8	

CONVERSION RATE TO SALE [3]

2 months	2017	3.7%	+60 bps
12 months	2017	3.7%	
12 months	2016	3.1%	

AVERAGE ORDER VALUE [4]

2 months	2017	£33.18	+14.2%
12 months	2017	£34.36	
12 months	2016	£30.07	

NUMBER OF ITEMS PER BASKET

2 months	2017	2.03	+5.0%
12 months	2017	2.10	
12 months	2016	2.00	

The data in the table above is calculated over the 12 month period for both years, in order to provide meaningful information, and for the two month period of ownership. Active customer numbers have increased by 138% compared to the previous 12 month period. Conversion rates continue to improve and have increased to 3.7%. Average order value has increased by 14.2% to £34.36 for the 12 month period and the number of items per basket has increased by 5.0% to 2.10.

GROUP REVENUE BY BRAND

	2017 £000	2016 £000	Change	Change CER
boohoo	283,378	195,394	+45%	+44%
PrettyLittleThing	11,257	–	–	–
	294,635	195,394	+51%	+49%

The sales revenue above for PrettyLittleThing is for the two months to 28 February 2017. For comparative purposes, PrettyLittleThing's revenue for the 12 months to 28 February 2017 was £55.3 million (2016: £17.0 million).

GROUP REVENUE BY GEOGRAPHICAL MARKET

	2017 £000	2016 £000	Change	Change CER
UK	181,981	130,096	+40%	+40%
Rest of Europe	34,735	22,630	+53%	+47%
USA	40,435	16,523	+145%	+124%
Rest of world	37,484	26,145	+43%	+45%
	294,635	195,394	+51%	+49%

CONSOLIDATED INCOME STATEMENT

	2017 £000	2016 £000	Change
Revenue	294,635	195,394	+51%
Cost of sales	(133,806)	(82,483)	+62%
Gross profit	160,829	112,911	+42%
Gross margin	54.6%	57.8%	-320bps
Distribution costs	(66,849)	(45,501)	–
Administrative expenses	(68,534)	(53,756)	–
Other income	4,862	1,392	–
Operating profit	30,308	15,046	+101%
Finance income	637	628	
Profit before tax	30,945	15,674	+97%
Adjusted EBITDA	35,563	18,711	+90%

CALCULATION OF ADJUSTED EBITDA

	2017 £000	2016 £000
Operating profit	30,308	15,046
Depreciation and amortisation	4,765	3,058
Equity-settled share-based payment charge	1,895	607
Gain on option to acquire PrettyLittleThing.com Limited	(1,405)	–
Adjusted EBITDA	35,563	18,711

Gross margin reduced from 57.8% to 54.6%, primarily due to an increase in promotional activity, which has in turn increased sales growth.

Distribution costs have increased with revenue growth and remained broadly in line as a percentage of revenue. Administrative expenses, which include marketing expenses, have risen due to the combination of revenue growth and the building of our infrastructure to support the future business expansion but also decreased as a percentage of revenue.

FINANCIAL REVIEW CONTINUED

The gain on the exercise of the option to acquire PrettyLittleThing.com Limited of £1.4 million arose because the consideration paid was less than the value of the assets acquired. A full analysis of the acquisition accounting is contained within note 13 of these financial statements.

EBITDA (adjusted) increased by 90% from £18.7 million to £35.6 million and, as a percentage of revenue, increased from 9.6% to 12.1%, due to significant revenue growth allowing the cost base to be leveraged.

TAXATION

The effective rate of tax for the year was 20.0% (2016: 20.6%), which is in line with the blended UK statutory rate of tax for the year of 20.0% (2016: 20.1%).

EARNINGS PER SHARE

Basic earnings per share increased by 97% from 1.11p to 2.19p.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2017 £000	2016 £000
Intangible assets	35,446	4,542
Property, plant and equipment	32,019	21,426
Financial assets	231	28
Deferred tax asset	4,494	231
Non-current assets	72,190	26,227
Working capital	(11,939)	(4,248)
Net financial assets	(11,817)	(4,866)
Cash and cash equivalents	70,330	58,281
Interest bearing loans and borrowings	(11,910)	–
Deferred tax liability	(2,597)	–
Current tax liability	(3,761)	(1,967)
Net assets	100,496	73,427

Intangible assets have increased by £31.0 million due to the acquisition of PrettyLittleThing.com Limited (£14.9 million) and the intellectual property of Nasty Gal (£16.1 million). Property, plant and equipment has risen by £10.6 million due to warehouse and office investment.

Working capital has reduced primarily due to an increase in payables and accruals relating to our increased trading activity. The deferred tax liability relates to the acquisition of PrettyLittleThing.com Limited. Net assets have increased by £27.1 million (+37%).

LIQUIDITY AND FINANCIAL RESOURCES

Free cash flow was £5.4 million compared to £6.5 million in the previous financial year. Capital expenditure was £30.7 million, which includes £16.1 million for the Nasty Gal intellectual property and £14.6 million investment in our warehouse and IT systems to support projected growth in trade. The acquisition of the Nasty Gal assets was funded by a five year loan of £11.9 million. The consideration paid for PrettyLittleThing.com Limited was £5.9 million and the cash acquired was £6.6 million. The closing cash balance for the group was £70.3 million.

CONSOLIDATED CASH FLOW STATEMENT

	2017 £000	2016 £000
Profit for the year	24,661	12,438
Depreciation charges and amortisation	4,765	3,058
Share-based payments charge	1,895	607
Tax expense	6,284	3,236
Finance income	(637)	(628)
Increase in inventories	(11,925)	(7,481)
Increase in trade and other receivables	(4,107)	(3,243)
Increase in trade and other payables	15,166	12,098
Capital expenditure and intangible asset purchases	(30,675)	(13,611)
Free cash flow	5,427	6,474
Acquisition of 66% interest in PrettyLittleThing.com Limited (excess of cash acquired over consideration)	655	–
Gain on option to acquire PrettyLittleThing.com Limited	(1,405)	–
Purchase of own shares by Employee Benefit Trust	–	(331)
Proceeds from the issue of ordinary shares	54	–
Finance income recieved	614	619
Tax paid	(5,206)	(2,627)
Proceeds from new loan	11,910	–
Net cash flow	12,049	4,135
Cash and cash equivalents at beginning of year	58,281	54,146
Cash and cash equivalents at end of year	70,330	58,281

TRENDS AND FACTORS LIKELY TO AFFECT FUTURE PERFORMANCE

The market for online fashion is forecast to continue to grow and, along with the increasing use of the internet globally, provides a favourable backdrop for the group with much opportunity for further growth. Customers throughout the world are seeking a wide choice of quality products at value prices lower than those available on the high street with the convenience of home delivery. The group's target market of 16 to 30 year-olds has a high propensity to spend on fashion and the market is resilient to external macroeconomic factors.

OUTLOOK

The outlook for online fashion retail is very positive, with young consumers globally preferring the choice, price and convenience of online shopping. For us this creates a great opportunity to continue to expand our business operations across the globe. With the addition this year of two highly successful and attractive brands, we are building a robust business capable of meeting the demand and challenges in our sector.

We will continue to focus on delivering our winning strategy, refining and adapting our proposition as market conditions change and as new opportunities arise. Our focus will be to continue to develop key markets with the greatest growth potential, to invest in technology and deliver the most exciting products at great prices to consumers with excellent customer service.

Trading in the first few weeks of the 2018 financial year has made a promising start and we are excited about the prospects of our development into a multi-branded business. We expect group revenue growth approaching 50% over 2017, with group EBITDA margin of approximately 10%.

HOW WE MANAGE RISK

RISK MANAGEMENT THE BOARD REVIEWS ANNUALLY, AND ADDITIONALLY WHENEVER THERE IS A PERCEIVED MAJOR CHANGE IN, THE PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP TOGETHER WITH AN ASSESSMENT OF MITIGATING FACTORS. THE FOLLOWING ARE CONSIDERED TO BE THE PRINCIPAL RISKS AND UNCERTAINTIES, ALTHOUGH THESE MAY NOT BE EXHAUSTIVE IN THAT OTHER UNKNOWN RISKS MAY HAVE AN ADVERSE EFFECT ON THE BUSINESS.

RISK	RISK FACTORS	MITIGATION
STRATEGIC RISKS		
COMPETITION RISK	› Competitors may be able to offer consumers like-for-like better quality, better value, superior customer service, more generous delivery terms, better website functionality or better brand image, thereby eroding our market share › European competitors may gain an advantage over the group following the UK's decision to leave to EU if higher duties are imposed on UK imports into the EU	› Competitor activity and offerings are reviewed regularly to remain abreast of market developments and identify competitive advantages › Consumers' changing preferences are monitored internally and by market research to ensure product and service is relevant to demand › Developments in ecommerce trends are monitored to keep abreast of the latest developments and innovations › Performance targets control key deliverables (product quality, customer service and traffic) › Developments in the EU are being monitored subsequent to the UK's decision to leave the EU
FASHION AND CONSUMER DEMANDS RISK	› Failing to keep abreast of the latest trends in colour and style could lead to lost sales and erosion of market share › Failure to react quickly enough to fashion changes could lead to lost sales › Buying the incorrect quantities of product relevant to demand may result in lost sales opportunities or excess inventory	› Highly competent designers and buyers are adept at interpreting fashion and acquiring desirable product › Buyers and designers keep up to date with fashion changes through fashion shows, predictive agencies and fashion press › Product range planning ensures sufficient product offering to cover expected demand using the test-and-repeat model › Rapid response to fashion trends is achieved by using factories capable of short lead times › Buying, merchandising and marketing departments operate cohesively, with regular cross-functional communication

RISK	RISK FACTORS	MITIGATION
OPERATIONAL RISKS		
SYSTEMS AND TECHNICAL RISK	› Hardware or software failure could disable the website or operational systems › Cyber attack is an increasingly major risk › System capacity due to high transactional volumes may be compromised, leading to error or failure › Websites hosted by third party, which may be subject to business failure › Loss of or theft of consumer data could lead to loss of reputation and breach of data protection regulations	› Duplicate back-up system in remote location protects against hardware failure and to some extent software failure › Systems documentation and recovery procedures are in place and tested periodically › High security threshold and appropriate IT access and usage policies protect from virus and malicious attack and are regularly reviewed › System load planning is undertaken to ensure transaction volumes do not impinge on performance › Storage of personal data is tightly controlled and limited in accordance with data protection guidelines and PCI requirements
SUPPLY CHAIN RISK	› The business is dependent upon suppliers with whom relationships have been developed over time and whose loss through insolvency, disaster or denial of supply may be difficult to replace at short notice › Labour or environmental abuse in the supply chain could result in closure of supply or reputational damage	› Supply risk is spread over many suppliers with no major individual dependencies › Extensive and up-to-date knowledge of supplier base would enable alternative sources to be found relatively quickly › Levels of inventory are adequate to cover short periods of supply delay › Regular auditing of suppliers, unscheduled inspections and imposition of conformance agreements ensures adequate standards are maintained in the supply chain as far as possible
LOSS OF KEY FACILITIES	› Fire, flood, or other disaster could lead to part or total, temporary or permanent closure of facilities	› Warehouse is protected by 24 hour security, access control, fire protection and sprinkler systems › Head office is protected by security alarm, access control, fire protection and sprinkler systems › Electric power continuity is protected by back-up generators › A comprehensive disaster recovery and business continuity plan supported by a disaster recovery committee is under development
PEOPLE RISK	› Competitors are inclined to poach key staff and talented individuals › Employees may leave the company for better pay and prospects elsewhere	› Incentive schemes for senior managers are operated, including share ownership, bonus and incentive schemes linked to business performance › Succession planning aims to reduce key person dependencies

HOW WE MANAGE RISK CONTINUED

RISK	RISK FACTORS	MITIGATION
REPUTATIONAL RISKS		
CUSTOMER DISSATISFACTION	› Adverse customer experience through poor product quality, product recall due to faulty manufacture or use of illegal substances in manufacture, labour abuses or environmental damage by third party suppliers could lead to reputational damage and customer boycott of the brand › Adverse customer experience through refund disputes or poor customer service could damage reputation	› A system of factory approvals is operated, ensuring that manufacturers agree to a set of acceptable standards › Compliance with manufacturers' agreements is monitored by periodic audit › Customer service levels and complaints are monitored and internet sites are reviewed for customer opinions
FINANCIAL RISKS		
FINANCIAL	› Poor business performance or lack of appetite for the sector may impede raising of capital › Exchange rate fluctuations may erode margins	› Regular budgeting and forecasting ensures working capital is sufficient for business requirements and rapid reaction to adverse business performance › Uncertainty due to fluctuating exchange rates is reduced by appropriate hedging policies

A RESPONSIBLE BUSINESS

SOCIAL RESPONSIBILITY AT BOOHOO, WE ARE GUIDED BY OUR VALUES OF PASSION, AGILITY, CREATIVITY AND TEAMWORK. WE PRIDE OURSELVES ON OUR INCLUSIVE CULTURE AND TEAM SPIRIT AND WE BELIEVE IN OPERATING IN A FAIR AND SUSTAINABLE MANNER.

It is important for us to run our business in a way that benefits all of our stakeholders and we seek to engage with them on a regular basis. We have a proactive programme for delivering our social responsibility policy which is regularly reviewed and reported upon to the Audit Committee.

SUPPLY CHAIN OPERATIONS

As a fast-growing responsible brand, we recognise our duty of care to the people involved in the creation of our products. We therefore take our supply chain operations extremely seriously and have a demanding set of procedures and policies to which all suppliers must adhere. We are dedicated to working with our suppliers to help promote better working standards for the future and we hope to lead the way in encouraging open and transparent supply chain operations.

- boohoo is a member of SEDEX (the Supplier Ethical Data Exchange), a not-for-profit organisation that provides access to independent and comprehensive third party audit reports on suppliers and their factories.
- Our suppliers are required to undertake a SMETA (SEDEX Members Ethical Trade Audit) to assess the quality of their operations.
- SMETA audits are supplemented by regular audits from our in-house Sourcing and Compliance team who help suppliers ensure they are compliant with law and regulations.
- We have an in-house Quality Assurance Team whose remit is to ensure our products are compliant with consumer protection and product safety legislation, including REACH (Registration, Evaluation, Authorisation & Restriction of Chemicals) regulations, and are consistent in size.
- We require our suppliers to periodically sign compliance letters acknowledging their adherence to our standards, the most recent of which were signed in December 2016.
- We hold an annual supplier conference and all of our suppliers have access to our supplier manual via a portal to ensure they are aware of boohoo's standards, policies and procedures.

BOOHOO'S CODE OF CONDUCT AND ETHICAL TRADE POLICY

boohoo's current group Ethical Trade Policy is based on the Ethical Trade Initiative (ETI) base code, which sets worldwide standards of labour practice. The ETI is an alliance of retailers, manufacturers, NGOs and trade union organisations. The group continues to assess a number of options with regard to how it can improve upon its current ethical position, including improving its own robust standards with third party governance oversight.

boohoo.com's Code of Conduct advises suppliers that:

- Employment is freely chosen:
  there must be no forced, bonded or involuntary prison labour. Workers should be free to leave their employer after a reasonable notice period.
- Child labour shall not be used:
  suppliers must not use child labour and have sufficient policies in place in relation to slavery and human trafficking.
- No harsh or inhumane treatment is allowed:
  physical abuse or discipline, the threat of physical abuse, sexual or other harassment, verbal abuse, or other forms of intimidation shall be prohibited.
- Suppliers must comply with local laws:
  boohoo.com expects its suppliers to be in full compliance with the laws and regulations of the countries in which they operate.
- Living wages must be paid:
  wages and benefits for a standard working week must meet the minimum, national legal standards or industry benchmark standards, whichever is higher.
- There should be no discrimination in the work place:
  discrimination on the basis of race, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation is prohibited.
- Suppliers must comply:
  with all relevant laws and regulations regarding the protection and preservation of the environment.
- Regular employment must be provided:
  to every extent possible, work performed must be on the basis of a recognised employment relationship established through national law and practice.
- Working conditions must be safe and hygienic:
  a safe and hygienic working environment must be provided, bearing in mind prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury occurring in the course of work. Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
- Working hours must not be excessive:
  working hours must comply with national laws and benchmark industry standards, whichever affords greater protection.

A RESPONSIBLE BUSINESS CONTINUED

- **The supplier will conduct itself with proper business integrity:**
  there shall be no improper advantage sought, including the payment of bribes, to secure delivery of goods or services to boohoo.com plc group.
- **Suppliers must co-operate:**
  with boohoo.com to ensure these standards are met.

WORKPLACE AND COMMUNITY

We take the welfare of all of our 1,562 employees extremely seriously and we continue to invest in our people, who we encourage to develop and grow with the business.

- Our annual "your-view" all-employee survey is a key activity in employee engagement in which anonymous and honest feedback is encouraged.
- We actively seek ways to alleviate unemployment in young people and provide opportunities for young people to reach their potential.
- In 2015, 122 previously unemployed people were taken on permanently at our Burnley distribution centre, and in 2016, 322 agency employees were made permanent employees.
- We work in partnership with Burnley College to support our existing staff on apprenticeship programmes and we continue to invest in the number of apprenticeship opportunities we offer.
- We encourage diversity in the workforce – last year the percentage of males was 45% and females 55% and we have 38% of senior management positions held by women.

We are proud to give back to the local community via a number of initiatives. In 2016, boohoo raised £37,000 through colleague fundraising events and charitable donations. Highlights included:

- Events for the Pendleside Hospice in Burnley, including a boohoo sample sale which raised £7,600.
- Platinum sponsor at Graduate Fashion Week.
- Donation of approximately 30,000 units of product to local charities, resulting in estimated £80,000 of sales in charity shops.

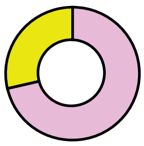
£37,000

RAISED THROUGH COLLEAGUE FUNDRAISING EVENTS AND CHARITABLE DONATIONS

1,562

NUMBER OF EMPLOYEES AT BOOHOO.COM PLC

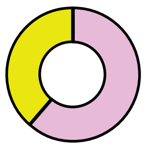
GENDER DIVERSITY



DIRECTORS OF THE PARENT COMPANY

5 Men

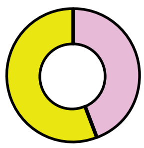
2 Women



SENIOR MANAGEMENT

32 Men

20 Women



OTHER EMPLOYEES

667 Men

836 Women

- boohoo.com has a Student Ambassador Program working with 35 students across 33 different universities in the UK. The students have a combined social reach of 358,003 contributing posts on social media using #mystudentstyle.

Last year we implemented a charity strategy centring around Teenage Cancer Trust, Ditch the Label and World Vision in the UK, together with a number of charities local to head office and the Burnley distribution centre.

ENVIRONMENT

boohoo.com plc acts responsibly to reduce energy consumption and to use energy more efficiently to reduce its environmental impact. We monitor and report on all wastage.

- All of the cardboard and plastic waste from our warehouse is recycled.
- For our Manchester site, we recycle all paper and plastic waste.
- At the head office, we have a programme to replace lighting with efficient motion-activated LED panels, whilst in our warehouse and certain areas of the head office, lighting is activated by motion sensors.
- Recycled materials are used in our outer plastic packaging and swing tickets.
- Energy efficient storage heaters have been installed in offices unconnected to the wet system.
- Solar panels are to be installed in one of the recently acquired head office buildings with a view to rolling this out across the various sites.
- The CO_2 output from heating and lighting in the offices and warehouse in the year was 2,165 tonnes (2016: 1,842 tonnes) and from employee air travel was 244 tonnes (2016: 152 tonnes).

OUR CUSTOMERS

At boohoo we pride ourselves on our inclusive brand and its ability to celebrate and promote diversity. Our customers continue to inspire us and motivate us to supply the latest cutting-edge trends at the best prices around. We continue to develop our ranges to offer clothing to suit every shape and size and we work very closely with several model agencies in order to promote responsible and healthy body images.

We are passionate about customer services. As a brand that focuses on 24/7 fashion we recognise that getting our products to our customers hassle-free is extremely important. We offer free UK and Ireland returns and our customer services team is on hand to support through convenient and flexible channels.

On behalf of the board

MAHMUD KAMANI
CAROL KANE
NEIL CATTO

25 April 2017

STRONG LEADERSHIP

BOARD OF DIRECTORS THE BOARD AS A WHOLE IS COLLECTIVELY RESPONSIBLE FOR THE SUCCESS OF THE GROUP, PROVIDING ENTREPRENEURIAL LEADERSHIP, STRONG GOVERNANCE AND EXPERTISE IN ALL AREAS OF THE BUSINESS.

PETER WILLIAMS
Non-executive Chairman

N

Chairman of the Nomination Committee

Peter is chairman of the Nomination Committee. Peter is currently the Chairman of U and I Group plc, Senior Independent Director and Chairman of Remuneration Committee of both Sportech PLC and Rightmove plc. He is Chairman of Mister Spex, an online retailer specialising in eyewear based in Berlin, and is a trustee of the Design Council. In the past, he was the Senior Independent Director of ASOS plc for almost eight years and also served on the boards of Jaeger, Cineworld Group plc, EMI group, Blacks Leisure Group plc, OfficeTeam, Silverstone, JJB Sports plc, GCap Media plc, and Capital Radio group plc. In his executive career, he was Chief Executive at Alpha group plc and prior to that was Chief Executive of Selfridges plc, where he also acted as Chief Financial Officer for over ten years. Peter is a chartered accountant.

MAHMUD KAMANI
Joint Chief Executive

Mahmud founded boohoo with Carol Kane in 2006, leveraging over 30 years of experience in the fashion and clothing industry. Mahmud is an entrepreneur, with expertise encompassing all areas of the supply chain from sourcing, import and wholesale. Mahmud is an inspirational leader, having built a strong team and engendered loyalty from many long-serving employees.

CAROL KANE
Joint Chief Executive

Carol has 27 years of experience in the fashion industry. Starting her career as a designer, then fashion buyer, Carol has worked for Mahmud Kamani for the past 20 years supplying high street retailers. Carol co-founded boohoo in 2006 and since inception has worked on marketing, product and brand strategy both domestically and abroad.

NEIL CATTO
Chief Financial Officer

Neil qualified as a chartered accountant with Ernst & Young and spent nine years working in their Manchester, Palo Alto and Reading offices. He was previously Finance Director of dabs.com plc and has held senior financial positions in BT plc and The Carphone Warehouse Group plc.

DAVID FORBES
Non-executive Director and Senior Independent Director

R
Chairman of the Remuneration Committee

A N
Sits on the Audit and Nomination Committees

David is chairman of the Remuneration Committee and sits on the Audit and Nomination Committees.

David is currently Non-executive Chairman of Entu (UK) plc and a non-executive director and Chairman of the Remuneration Committee at Renew Holdings plc. He was previously Non-executive Chairman of Northern Ballet Theatre Limited and MaxAim LLP. Former non-executive directorships included Addo Food Group, Vertu Motors plc and Codex Holdings. David qualified as a chartered accountant in 1984 and has been a leading figure in Corporate Finance advisory services for many years, including 22 years in the investment banking division of N M Rothschild. David's areas of expertise include mergers and acquisitions, corporate strategy and corporate finance involving both equity and debt.

STEPHEN MORANA
Non-executive Director

A
Chairman of the Audit Committee

R N
Sits on the Nomination and Remuneration Committees

Stephen is chairman of the Audit Committee and sits on the Nomination and Remuneration Committees.

Stephen was, until April 2016, the Chief Financial Officer of Zoopla Property Group plc the FTSE250 digital media business which he took through IPO in 2014. Prior to that he was the Chief Financial Officer of Betfair plc, where he also held the position of interim CEO. He also chairs the Audit Committee at GVC, the UK-listed online gaming business. Stephen is a chartered accountant and an INSEAD alumnus.

SARA MURRAY
Non-executive Director

A R N
Sits on the Audit, Remuneration and Nomination Committees

Sara sits on the Audit, Nomination and Remuneration Committees.

Sara joined the board in April 2016.

Sara is founder and CEO of buddi, a provider of mobile tracking devices. Sara was the founder and CEO of Inspop.com Limited (trading as confused.com) until 2002. Sara was a non-executive director of Schering Health care for five years and member of the governing board of Innovate UK (Technology Strategy Board). She is a Member of the Council of Imperial College London and was awarded an OBE for services to entrepreneurship and innovation in 2012.

CORPORATE GOVERNANCE REPORT

BOARD GOVERNANCE

The directors acknowledge the importance of the principles set out in the Quoted Companies Alliance Corporate Governance Code ("QCA Code"). Although the QCA Code is not compulsory for AIM quoted companies, the directors intend to apply the principles as far as they consider appropriate for a company of boohoo.com plc's size and nature in accordance with the QCA Code for Small and Mid-Size Quoted Companies 2013 and are committed to maintaining high standards of corporate governance, although the company is not required to comply with the UK Corporate Governance Code.

THE BOARD

The directors' biographies appear on pages 28 and 29.

The board comprises seven directors, three of whom are executive directors and four of whom are non-executive directors, reflecting a blend of different experience and backgrounds. Each of Peter Williams, David Forbes, Stephen Morana and Sara Murray were prior to appointment considered to be "independent" non-executive directors under the criteria identified in the QCA Corporate Governance Code. In addition, David Forbes is the Senior Independent Director.

THE ROLE OF THE BOARD

The board as a whole is collectively responsible for the success of the group and provides entrepreneurial leadership of the group within the framework of effective controls, which enable risk to be assessed and managed. It sets out the group's values and standards and ensures that its obligations to shareholders and other stakeholders are understood and met.

The board has a formal schedule of matters reserved to it for decision, including approval of strategic plans and the annual operating plan, significant investments and capital projects, treasury and risk management policies. All directors take decisions objectively in the interests of the group.

Guidelines are in place concerning the content, presentation and timely delivery of papers by management to directors for each board meeting so that the directors have enough information to be properly briefed. Where issues arise at board meetings, the Chairman ensures that all directors are properly briefed and, when necessary, appropriate further enquiries are made. The division of responsibilities between the Chairman and joint Chief Executives is clearly established and has been agreed by the board.

All directors have access to the advice and services of the Chief Financial Officer and Company Secretary, who are responsible for ensuring that the board procedures are followed and that applicable rules and regulations are complied with. In addition, procedures are in place to enable the directors to obtain independent professional advice in the furtherance of their duties, if necessary, at the company's expense.

BOARD COMMITTEES

The company has three committees, namely Audit, Nomination and Remuneration Committees.

AUDIT COMMITTEE

Stephen Morana is the Chairman of the Audit Committee, which has primary responsibility for monitoring the quality of internal controls, ensuring that the financial performance of the company is properly measured and reported on and reviewing reports from the company's auditors relating to the company's accounting and internal controls, in all cases having due regard to the interests of shareholders. The Audit Committee meets three times a year. Stephen Morana has recent and relevant financial experience. He is a chartered accountant and was formerly Chief Financial Officer at Zoopla Property Group plc, having previously held a number of senior finance positions. Sara Murray and David Forbes are the other members of the Audit Committee.

The Audit Committee met three times during the year and also after the year end. Matters considered at these meetings included: reviewing and approving the report and financial statements for the year ended 29 February 2016, the half year results to 31 August 2016 and the report and financial statements for the year ended 28 February 2017; discussion with the external auditors to confirm their independence and scope for audit work; considering the reports from external auditors identifying any accounting or judgemental issues requiring the board's attention and the auditors' assessment of internal controls; reviewing and approving the group's tax strategy; reviewing the company's risk register and business continuity procedures; considering the work of the corporate social responsibility and supplier conformance functions; reviewing compliance with minimum pay legislation and fairness at work procedures; and considering the adequacy of the whistle-blowing facility, the anti-bribery training and monitoring and data protection policy and procedures.

The Audit Committee chairman has maintained dialogue with the auditors outside of the scheduled meetings and meets with the auditors without the presence of executive directors and members of the finance team.

NOMINATION COMMITTEE

Peter Williams is the Chairman of the Nomination Committee which will identify and nominate, for the approval of the board, candidates to fill board vacancies as and when they arise. The committee also considers matters of succession planning. The Nomination Committee meets at least once a year and otherwise as required. David Forbes, Sara Murray and Stephen Morana are the other members of the Nomination Committee.

REMUNERATION COMMITTEE

The Chairman of the Remuneration Committee is David Forbes. This committee reviews the performance of the executive directors and determines their terms and conditions of service, including their remuneration and the grant of share awards, having due regard to the interests of shareholders. The Remuneration Committee meets at least twice a year. Sara Murray and Stephen Morana are the other members of the Remuneration Committee.

The responsibilities and activities of the Remuneration Committee are set out in more detail in the Directors' Remuneration Report.

EXECUTIVE COMMITTEE

The Executive Committee comprises the three executive directors and selected members of the senior executive management. The committee meets at least monthly and has the responsibility for dealing with the day-to-day management of the group and developing and executing strategy.

BOARD AND COMMITTEE MEETINGS

It is intended that the board meets at least eight times a year, the Audit Committee at least three times a year, the Nomination Committee at least once a year and the Remuneration Committee at least twice a year.

RISK MANAGEMENT AND INTERNAL CONTROL

The board has overall responsibility for the group's systems of internal control and risk management and for reviewing the effectiveness of those systems. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. Any system can only provide reasonable and not absolute assurance against material misstatement or loss.

The board confirms that there are ongoing procedures for identifying, evaluating and managing significant risks faced by the group and that it has reviewed these risks and the procedures with management before the financial year end.

The board has an internal risk management procedure to identify, with relevant management, the major business risks facing the group and to put in place appropriate policies and procedures to manage those risks. Internal and external risks, which are assessed on a continual basis, may be associated with a variety of internal or external sources, including control breakdowns, disruption in information systems, competition, inadequate financing, poor business performance, natural catastrophe and regulatory requirements. These involve a process of control, self-assessment and reporting that will be established to provide a documented trail of accountability, which will be reported to the board.

Management reports on its review of the risks and how they are managed to both the board and Audit Committee, whose role it is to review the key risks inherent in the business and the systems of control necessary to manage those risks. The Audit Committee presents its findings to the board as appropriate. Management also reports to the board on major changes in the business and external environment which affect significant risks. Where areas for improvement in the systems are identified, the board considers the recommendations made by management and the Audit Committee.

Detailed policies ensure the accuracy and reliability of financial reporting and the preparation of the financial statements including the consolidation process. The board reviews the system of internal controls during the year to identify any significant failures or weaknesses.

PERFORMANCE EVALUATION

The Chairman completed an internal evaluation of the board (including sub-committees and individual board members) in March 2017, involving anonymous questionnaires formulated to enable the board to confirm that its performance, as well as the contribution of each of the executive and non-executive directors, demonstrate commitment to their respective roles and that the board members' respective skills complement each other and enhance the overall operation of the board. The results of this evaluation confirmed that the board and its committees were working to the satisfaction of the Chairman and achieving their objectives.

CORPORATE GOVERNANCE REPORT CONTINUED

RELATIONS WITH SHAREHOLDERS

The company maintains an active dialogue with its shareholders through a planned programme of investor relations. This activity is a keystone of the company's corporate communications programme and is headed by the Joint Chief Executives and the Chief Financial Officer. The board is informed of shareholder views as part of the regular reporting process and matters for discussion.

The programme includes formal presentations in London of the company's full year and interim results and meetings between institutional investors, analysts and senior management on a regular basis. Regular communication with shareholders also takes place through the company's annual and interim report and via the company website (www.boohooplc.com), which contains up-to-date information on the group's activities.

The annual general meeting is an important opportunity for communication with both institutional and private shareholders and also involves a short statement on the company's latest trading position. Shareholders may ask questions of the full board, including the chairs of Audit, Remuneration and Nomination Committees. The result of the proxy votes submitted by shareholders in respect of each resolution will be available on the company's website or on request to the Company Secretary.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

The table below shows the attendance of individual directors at board meetings and committee meetings of which they are members during the year.

	Board		Audit committee		Remuneration committee		Nomination committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Peter Williams	9	9	–	–	–	–	3	3
Mahmud Kamani	9	9	–	–	–	–	–	–
Carol Kane	9	9	–	–	–	–	–	–
Neil Catto	9	9	–	–	–	–	–	–
David Forbes	9	9	3	3	2	2	3	3
Stephen Morana	9	9	3	3	2	2	3	3
Mark Newton-Jones	4	2	1	–	1	–	1	–
Sara Murray	9	7	3	3	2	2	3	3

As at 25 April 2017, the board has met twice since the end of the financial year.

AUDITORS' INDEPENDENCE

The Audit Committee reports to the board on the effectiveness, value and independence of the auditors on an annual basis. The Audit Committee also approves the extent of non-audit work undertaken by the auditors to ensure that it does not interfere with their independence and has established guidelines for the value of non-audit services permitted to be undertaken by the auditors. The board is satisfied with the independence and objectivity of the auditors, PricewaterhouseCoopers LLP, and is recommending their reappointment at the AGM.

DIRECTORS' REPORT

The directors present their directors' report and audited consolidated financial statements for the year ended 28 February 2017.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of a holding company. The principal activity of its subsidiary undertakings is that of internet clothing retailers.

BUSINESS REVIEW

The directors are required by Company Law to set out a fair review of the business, its position at the year end and a description of the principal risks and uncertainties facing the group and to prepare the financial statements in accordance with applicable law and International Financial Reporting Standards ("IFRS"). The strategic report on pages 2 to 27 provides this review and financial position and these are incorporated by cross-reference and form part of this report. The corporate governance report on pages 30 to 32 should be read as forming part of the directors' report.

RESULTS AND DIVIDENDS

Group profit after tax for the year to 28 February 2017 was £24.7 million (2016: £12.4 million). The audited financial statements for the year for the group and company are set out on pages 53 to 88.

The directors do not recommend the payment of a dividend.

DIRECTORS

The biographies of the directors in office at the date of this report are set out on pages 28 and 29.

The interests of the directors in the shares of the company and their share options and awards are detailed in the remuneration report on page 47.

The company maintains directors' and officers' liability insurance which gives appropriate cover for any legal action brought against the directors. The company has also provided an indemnity for its directors, which is a qualifying third party indemnity provision for the purposes of section 234 of the Companies Act 2006 and was in place during the year and up to the date of approval of the financial statements.

SHARE CAPITAL AND RESTRICTIONS ON SALE OF SHARES

The authorised and issued share capital of the company and details of shares issued during the year are shown in note 18. The issued share capital at 28 February 2017 was 1,123,304,869 shares of 1p.

M Kamani, C Kane, J Kamani, R Kamani, N Kamani, C Bale and P Cvetkovic have agreed pursuant to the Placing Agreement not to dispose of any of their shares in the company within 36 months of Admission on 14 March 2014 without the consent of Zeus Capital (or its successor nominated broker). C Hughes (the wife of former director of boohoo.com UK Limited, R Hughes) has also agreed not to sell any of 20,420,723 shares within 36 months of admission without the consent of Zeus Capital (or its successor nominated broker). N Kamani and the trustees of N Kamani's children's trust have agreed not to dispose of the 76,422,349 shares gifted to them on 30 September 2015 by M Kamani for a period of 18 months from that date without the consent of Zeus Capital.

Powers related to the issue and buy-back of the company's shares are included in the company's articles of association and such authorities are renewed annually by shareholders at the annual general meeting.

EMPLOYEE BENEFIT TRUST

The Employee Benefit Trust ("EBT") is used by the company to provide share incentives to its employees. The trustees are Estera Trust (Jersey) Limited, an independent professional body based in Jersey. The EBT holds 1,000,000 shares purchased on 1 August 2014 at 40p each with a view to hedging part of the company's liability to settle SIP, ESOP and SAYE awards.

The trustees may only vote on those shares where the beneficial interest has been transferred to the beneficiary and then in accordance with the beneficiary's instructions.

SHARE INCENTIVE PLAN TRUST

The Share Incentive Plan ("SIP") trust is used by the company to provide free shares as share incentives to its employees. The trustees are Capita IRG Trustees, an independent UK professional body. The SIP trustee buys shares and holds them in trust for the benefit of employees who remain with the company for three years. The trust holds 4,090,641 shares, of which 2,922,000 were allocated upon flotation for a nominal value of £29,220 and 1,168,641 of which were purchased on 19 June 2015 for £331,244, by company loan. The trustees may vote on the beneficiaries' shares in accordance with the beneficiaries' instructions.

DIRECTORS' REPORT CONTINUED

SUBSTANTIAL SHAREHOLDERS

Shareholders holding more than 3% of the company's shares as at 18 April 2017:

Shareholder	Number of ordinary shares held	Percentage held
Mahmud Kamani	198,932,382	17.71%
Old Mutual Global Investors	156,461,146	13.93%
Jalal Kamani	76,485,370	6.81%
Rabia Kamani	76,485,370	6.81%
Nurez Kamani	61,772,280	5.50%
Baillie Gifford & Co Limited	54,340,016	4.84%
Carol Kane	50,980,421	4.54%
OppenheimerFunds Inc	47,319,940	4.21%

ASSESSMENT OF PROSPECTS AND VIABILITY

The group's business activities together with the factors that are likely to affect the future development, performance and position of the group, are set out in the strategic report on pages 2 to 27.

The group operates a regular budgeting, forecasting and long-range planning cycle, which is integrated with strategic plans and objectives. This planning cycle, in which the board are substantively involved, ensures, as far as is possible, that the profitability, cash flow and capital requirements of the business are sufficient to ensure its ongoing viability. Annual budgets, against which performance is compared, are prepared in advance of the next financial year. A cadence of weekly, monthly and quarterly forecasts is operated to monitor, control and report on performance in the current financial year. These forecasts form the basis upon which the board satisfies its requirements to update stakeholders with relevant financial performance and prospects. Once a year, three year financial plans are prepared to assess the medium and longer term prospects of the group and its finance requirements, based on its strategic plans.

The directors have reviewed the group's profitability in the three year plans, the annual budgets and medium term forecasts, including assumptions concerning capital expenditure and expenditure commitments and their impact on cash flow. The directors consider that a three year plan is the appropriate period to project financial plans with a reasonable level of certainty in line with their current strategic objectives.

The business model affords a great deal of flexibility in responding to demand and economic changes: the wide range of products and relatively low buy quantities reduce inventory risk; a large customer base across many countries reduces specific economic and fashion dependencies; retail customers pay at the time of order with a small risk of default; and the high marketing expenditure is very controllable over a short time period. In addition, the group has a strong cash position at the year end, with a net cash balance of £58 million, which the directors consider is more than adequate for the planned investments and cash flow requirements of the group.

Based on their assessment of prospects and viability, the directors confirm that they have a reasonable expectation that the group will be able to continue in operation and meet its liabilities as they fall due in the three year period ending February 2020.

GOING CONCERN

Having considered the prospects and viability as detailed above, the directors also considered it appropriate to prepare the financial statements on the going concern basis, as explained in the basis of preparation in note 1 to the financial statements.

FINANCIAL RISK MANAGEMENT

Financial risk management is detailed in note 21 to the financial statements.

EMPLOYEE POLICIES

The quality, commitment and effectiveness of the group's employees are crucial to its continued success. Employee policies and programmes are designed to encourage employees to become interested in the group's activities and to reward employees according to their contribution and capability. Employee communications are a priority and regular briefings are used to disseminate relevant information. Employee surveys are undertaken to allow employees to express their views anonymously on many aspects of their work lives. Suggestion boxes are used to allow employees to voice their opinions for improvements and change. Employee share ownership is encouraged through free share schemes and employee share option plans.

Employment policies do not discriminate between employees or potential employees on the grounds of colour, race, ethnic or natural origin, sex, marital status, sexual orientation, religious beliefs or disability. If an employee were to become disabled whilst in employment and as a result was unable to perform his or her duties, every effort would be made to offer suitable alternative employment and assistance with retraining.

HEALTH AND SAFETY

The group is committed to providing a safe place of work for employees. Group policies are reviewed on a regular basis to ensure that policies regarding training, risk assessment, safe working and accident management are appropriate. There are designated officers responsible for health and safety and issues are reported at each board and executive meeting.

GREENHOUSE GAS EMISSIONS

The group measures its operational carbon footprint in order to limit and control its environmental impact. Only the impact of the group's direct activities are included, as the full impact of the entire supply chain of large numbers of suppliers cannot be measured practically. The section on social responsibility on pages 25 to 27 is incorporated into this report by cross-reference.

STATEMENT ON DISCLOSURE OF INFORMATION TO AUDITORS

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 auditors are unaware and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the annual general meeting.

ANNUAL GENERAL MEETING

The annual general meeting of the company will be held at 2 p.m. on 23 June 2017 at the offices of TLT Solicitors, Manchester. The notice of the meeting will be available to view on the group's website boohooplc.com at least 21 days before the meeting.

On behalf of the board

MAHMUD KAMANI
CAROL KANE
NEIL CATTO

25 April 2017

DIRECTORS' REMUNERATION REPORT
ANNUAL STATEMENT BY THE CHAIRMAN OF THE REMUNERATION COMMITTEE

Dear shareholder,
I am pleased to present the report of the Remuneration Committee on behalf of the directors. This directors' remuneration report will be put to an advisory shareholder vote at the forthcoming annual general meeting on 23 June 2017.

Remuneration policy
The Remuneration Committee is committed to complying with the principles of good corporate governance in relation to the design of its remuneration policy, and as such, our policy will take account of the UK Corporate Governance Code and other best practice guidance (for example, the QCA Remuneration Guidance and the Investment Association's Principles of Remuneration), as far as is appropriate to the company's management structure, size and listing.

Our approach to remuneration is governed by our directors' remuneration policy. The primary objectives of the policy continue to be to attract and retain the highest calibre directors and to design remuneration which promotes the long term success of the company. In order to put these objectives into effect, we provide the opportunity for executives to receive short and long term variable pay, dependent upon appropriate performance conditions, ensuring a clear link is established between shareholder value creation and the pay of our directors.

During the year, the Committee reviewed overall levels of pay and the operation of the incentive arrangements to ensure they remain appropriate in light of the current business strategy and the interests of shareholders. The Committee concluded that the current overarching framework of base salary (plus modest pension and benefits provision), annual bonus and the operation of a long term incentive plan ("LTIP") remains best suited to the business. We are not therefore proposing any fundamental changes to this model, but are recommending some amendments to the policy to help drive performance over the medium to longer term and to ensure our remuneration arrangements are set at a competitive (but not excessive) level.

Remuneration for the year ending 28 February 2018
The key points in relation to how we are implementing our policy for 2018, including details of the changes, are as follows:

- The salaries and overall remuneration packages of the executive directors will be increased from a positioning which is materially below the mid-market level to a position which is aligned more closely with companies of similar size, growth rates and complexity
- Maximum bonus opportunity will be increased from 75% of salary up to 100% of salary for executive directors and up to 200% for the joint CEOs dependent upon stretching revenue and EBITDA growth targets
- Long term share incentive awards will continue to be made under an LTIP plan based on stretching three year performance targets. Personal limits remain unchanged and are detailed in the remuneration policy
- The founding shareholders and directors, Mahmud Kamani and Carol Kane, will continue not to be granted share-based LTIP awards or other share incentives as they have retained substantial shareholdings in the company.

Performance and reward for the year ended 28 February 2017
For the year ended 28 February 2017, in relation to the annual bonus plan, the company achieved outstanding revenue growth and, as a result, the "stretch" revenue growth target was achieved. Strong EBITDA performance over the year also resulted in the achievement of the "stretch" target. As a result, in combination, employees across the company received 100% of their bonus potential. In the case of the executive directors, bonus pay-outs equated to 75% of their basic salary.

The share options granted on Admission to Neil Catto in 2014 vested on 14 March 2017. Vesting of this award was subject to an aggregate group adjusted EBITDA target over the three financial years to 28 February 2017. The target for full vesting was £92 million and the actual outcome of £72 million has resulted in 78% of the options vesting.

Encouraging equity ownership
We are committed to encouraging all our employees, as well as our senior executives, to be shareholders in the business. As part of facilitating this policy objective, we made awards to all employees under a UK HMRC-approved Share Incentive Plan during the 2015 and 2016 financial years and discounted options were issued under an HMRC-approved Save As You Earn ("SAYE") plan in 2016 and 2017, which have achieved a high level of participation by employees.

Shareholder feedback
The Remuneration Committee recognises that dialogue with shareholders plays a key role in informing the design of the remuneration policy and welcomes any feedback that shareholders may have. The Remuneration Committee will consider shareholder feedback received in relation to the remuneration policy and the remuneration report at the AGM each year. Any such feedback, plus any additional feedback received from time to time, will be considered as part of the company's annual review of remuneration policy. Shareholders will be informed of any future changes in remuneration policy in the remuneration report. In addition, where such changes are considered to be major, having taken advice from relevant advisers, significant shareholders will be consulted in advance.

We hope you will support the advisory vote on the directors' remuneration report at the forthcoming annual general meeting, as the directors will do in respect of their own beneficial shareholdings.

DAVID FORBES
Chairman of the Remuneration Committee

DIRECTORS' REMUNERATION REPORT CONTINUED

POLICY REPORT

Pay philosophy

The Remuneration Committee ("Committee") is responsible for determining, on behalf of the board, the group's pay philosophy and the policy on the remuneration of the executive directors, the Chairman and other senior executives of the group.

The aim of the remuneration policy is to ensure that high calibre senior executives are provided with remuneration which is designed to promote the long term success of the group. The policy includes performance-related elements which are transparent, stretching and rigorously applied so as to encourage enhanced performance and to reward, in a fair and responsible manner, individual contributions to the success of the group. The remuneration policy is designed to be compatible with risk policies and systems and to be aligned to the group's long term strategic goals. The policy framework is structured so as to adhere to the principles of good corporate governance and has been developed taking into account the principles of the UK Corporate Governance Code.

The performance-related variable pay component makes up a significant proportion of the overall package for senior executives and is designed to incentivise the delivery of the group's growth strategy and other strategic and business objectives. The interests of the executives are designed to align with the interests of shareholders through encouraging equity ownership and, in support of this, awards under the group's equity incentive plans are made where appropriate.

Consideration of employment conditions elsewhere in the group

When setting the remuneration policy for executive directors, the Committee takes into account the overall approach to reward for, and the pay and employment conditions of, other employees in the group, especially when determining annual salary increases. This process ensures that any increase to the pay of executive directors is set in an appropriate context and is appropriate relative to increases proposed for other employees. The Committee is also provided with periodic updates on employee remuneration practices and trends across the group.

The principle of encouraging our senior executives to be shareholders in the business is reflected across the group as a whole and a key aim of the remuneration policy is to encourage widespread equity ownership across the whole employee base. In support of this objective we operate an HMRC-approved Share Incentive Plan and an approved SAYE option plan.

Changes to the remuneration policy

Our pay philosophy and the broad structure of our remuneration policy will remain the same, since the Remuneration Committee believes it is serving the company well. However, some amendments are being made to the policy for 2018 to help drive performance over the medium to longer term and to ensure our remuneration arrangements are set at a competitive (but not excessive) level. The key changes to the policy are as follows:

› For 2018, the annual cash bonus payable to Neil Catto will increase from a maximum of 75% to a maximum of 100% of his base salary and the annual cash bonuses payable to the joint CEOs will be increased from a maximum of 75% to a maximum of 200% of their base salaries
› The increase in the joint CEOs' bonus percentage is considered appropriate given that neither joint CEO receives any form of share-based compensation
› Annual increases in base salary are to come into effect from 1 May each year rather than 1 March each year
› Certain minor changes have been made to the benefits of the executive directors to bring them into line with market practice.

Summary of our remuneration policy

The table on page 39 provides a summary of the key aspects of the group's remuneration policy for executive directors.

REMUNERATION POLICY TABLE FOR EXECUTIVE DIRECTORS

EXECUTIVE DIRECTORS		
BASE SALARY	**Purpose and link to strategy**	› To aid recruitment and retention › To reflect experience and expertise › To provide an appropriate level of fixed basic income
	Operation	› Normally reviewed annually, with any increase usually becoming effective 1 May › Set initially at a level required to recruit suitable executives reflecting their experience and expertise › Any subsequent increase influenced by: • Scope of the role • Experience and personal performance in the role • Average change in total workforce salary • Performance of the group • External economic conditions, such as inflation › Account taken of practice in comparable companies (e.g. those of a similar size and complexity) › No recovery or withholding provisions apply
	Maximum opportunity	› Annual increases will generally be restricted to those of the average of the wider workforce › Increases beyond those awarded to the wider workforce (in percentage of salary terms) may be awarded in certain circumstances such as where there is a change in responsibility or experience, or a significant increase in the scale or complexity of the role and/or size and value of the company
	Framework used to assess performance	› The Committee reviews the salaries of executive directors each year taking due account of all the factors described in the salary policy

DIRECTORS' REMUNERATION REPORT CONTINUED

EXECUTIVE DIRECTORS		
ANNUAL BONUS	Purpose and link to strategy	› To reward the annual delivery of short to medium term objectives relating to the business strategy
	Operation	› All bonus payments are at the discretion of the Committee › Not pensionable › Normally payable in cash following the end of the year based on targets set at the start of the year › Targets are set and/or reviewed annually › Recovery provisions apply in certain circumstances at the discretion of the Committee (including where there has been a misstatement of accounts, an error in assessing any applicable performance condition, or in the event of misconduct on the part of the participant)
	Maximum opportunity	› Up to 200% of salary for the joint CEOs and up to 100% of salary for all other executive directors, dependent on performance
	Framework used to assess performance	› Bonuses are based on performance measures with appropriate targets set and assessed by the Committee at its discretion › Those financial measures which are identified as the key indicators of success against the strategy (e.g. EBITDA and revenue) will represent the majority of bonus, with any other measures (e.g. strategic and/or personal objectives) – where appropriate – representing the balance › Performance is measured over a single financial year › 30% of maximum bonus will be payable for achievement of a threshold level of performance, rising to 100% of maximum bonus for reaching stretch target › Measures and weightings may change each year to reflect any year-on-year changes to business priorities at the discretion of the Committee
LONG TERM INCENTIVE PLAN ("LTIP")	Purpose and link to strategy	› Intended to align the long term interests of senior executives with those of shareholders › To incentivise the delivery of key strategic objectives over the longer term
	Operation	› Awards are normally granted annually in the form of nominal cost options › Ability to exercise is dependent on performance targets being met during the performance period and continued service of the directors › Recovery and withholding provisions apply in certain circumstances at the discretion of the Committee (including where there has been a misstatement of accounts, an error in assessing any applicable performance condition, or in the event of misconduct on the part of the participant)
	Maximum opportunity	› Maximum limit contained within the plan rules is 150% of annual salary for executive directors and an award of up to 125% of annual basic salary in the ordinary course › Awards are at the discretion of the Committee and may be made at lower levels than this › Exceptionally, at the discretion of the Committee, awards may be made in excess of 150% of salary per annum
	Framework used to assess performance	› Awards vest based on challenging targets measured over a three year period and are dependent upon continued service › At least half of awards will normally be based on financial performance metrics (such as, *inter alia*, PBT or EPS) › Prior to each award the Committee will set threshold and stretch targets along with an intermediate vesting range. Details of this will be disclosed in the annual report on remuneration for the year in which the award was granted unless the targets are commercially sensitive, in which case they will be disclosed retrospectively

EXECUTIVE DIRECTORS		
PENSION	Purpose and link to strategy	› To aid recruitment and retention › To provide an appropriate level of fixed income
	Operation	› Executive directors may receive an employer's pension contribution or cash allowance
	Maximum opportunity	› Employer's defined contribution or cash allowance up to 5% of salary
	Framework used to assess performance	N/A
OTHER BENEFITS	Purpose and link to strategy	› Provide competitive benefits package
	Operation	› Executive directors may receive benefits including health care and life assurance, as well as other standard group-wide benefits offered by the company from time to time › Executive directors are also eligible to participate in any all-employee share plans operated by the company on the same basis as for other eligible employees (and in line with relevant HMRC rules)
	Maximum opportunity	› The value of benefits may vary from year to year depending on the cost to the company
	Framework used to assess performance	N/A

CHOICE OF PERFORMANCE MEASURES AND APPROACH TO TARGET SETTING

The performance metrics and targets that are set for the executive directors via the annual bonus plan and LTIP are carefully selected to align closely with the group's strategic plan and key performance indicators.

In terms of annual performance targets the bonus is determined on the basis, primarily, of performance against financial measures which are identified as the key indicators of success against the strategy set annually. The precise metrics chosen, along with the weightings of each, may vary from year to year. The Committee will review the performance measures and targets each year and vary them as appropriate to reflect the priorities for the business in the year ahead.

In terms of the long term performance targets, metrics for the LTIP awards will be set at the time of each grant but will normally include at least half based on financial performance in line with our key objectives of delivering returns to shareholders through achievement of our growth strategy. The Committee will disclose the targets for each award to the executive directors in advance in the annual report on remuneration unless the targets are commercially sensitive, in which case they will be disclosed retrospectively. The Committee will review the choice of performance measures and the appropriateness of the performance targets prior to each LTIP grant.

Challenging targets are set whereby modest rewards are payable for the delivery of threshold levels of performance, rising to maximum rewards for the delivery of substantial out-performance of our financial and operating plans.

DIRECTORS' REMUNERATION REPORT CONTINUED

DIFFERENCES IN REMUNERATION POLICY FOR EXECUTIVE DIRECTORS COMPARED TO OTHER EMPLOYEES

The Committee has regard to pay structures across the wider group when setting the remuneration policy for executive directors. The Committee, in particular, considers the general basic salary increase for the broader workforce when determining the annual salary review for the executive directors.

Overall, the remuneration policy for the executive directors is more heavily weighted towards performance-related pay than for other employees. Performance-related long term incentives are provided for those employees considered to have the greatest potential to influence overall levels of performance and those whose retention within the group is regarded as important. That said, whilst the use of the LTIP is confined to the more senior management in the group, there is a commitment to encouraging widespread equity ownership through, for example, our use of an HMRC-approved Share Incentive Plan and SAYE share option scheme.

The level of performance-related pay varies within the group by grade of employee and is informed by the specific responsibilities of each role as appropriate.

SERVICE CONTRACTS AND LOSS OF OFFICE PAYMENTS

Service contracts normally continue until the executive director's agreed retirement date or such other date as the parties agree. The company's policy is that executive directors will be employed on a contract that can be terminated by the company on giving no more than one year's notice, with the executive director required to give up to one year's notice of termination.

A director's service contract may be terminated without notice and without any further payment or compensation, except for sums earned up to the date of termination, on the occurrence of certain events such as gross misconduct. The circumstances of the termination (taking into account the individual's performance) and an individual's duty and opportunity to mitigate losses are taken into account by the Committee when determining amounts payable on/following termination. Our policy is to reduce compensatory payments to former executive directors where they receive remuneration from other employment during the compensation period. The Committee will consider the particular circumstances of each leaver on a case by case basis and retains flexibility as to at what point, and the extent to which, payments would be reduced. Details will be provided in the relevant annual report on remuneration should such circumstances arise.

In summary, the contractual provisions are as follows:

Provision	Detailed terms
Notice period	Maximum of 12 months from both the company and the executive director
Termination payment	Payment in lieu of notice of base salary only, normally subject to mitigation and paid monthly[1], subject to the discretion of the Committee In addition, any statutory entitlements would be paid as necessary
Change of control	There will be no enhanced provisions on a change of control

1 The Committee may elect to make a lump sum termination payment (up to a maximum of 12 months' base salary) as part of an executive director's termination arrangements where it considers it appropriate to do so.

Annual bonus on termination

There is no contractual entitlement to annual bonus on termination. At the discretion of the Committee, in certain circumstances a pro rata bonus may become payable at the normal payment date for the period of active service only.

LTIP on termination

Any share-based entitlements granted under the company's share plans will be determined on the basis of the plan rules. In determining whether an executive director should be treated as a good leaver under the plan rules the Committee will take into account the performance of the individual and the reasons for his/her departure and, in the event of this determination being made, will set out its rationale in the following annual report on remuneration.

APPROACH TO RECRUITMENT AND PROMOTIONS

The remuneration package for a new executive director would generally be set in accordance with the terms of the company's remuneration policy in force at the time of appointment. In addition, with specific regard to the recruitment of new executive directors (whether by external recruitment or internal promotion), the remuneration policy will allow for the following:

- Where new joiners or recent promotions have been given a starting salary at a discount to the mid-market level, a series of increases above those granted to the wider workforce (in percentage of salary terms) may be awarded over the proceeding few years, subject to satisfactory individual performance and development in the role
- The Committee may offer additional cash and/or share-based elements when it considers these to be in the best interests of the company and shareholders. Any such additional payments would aim to reflect the terms and value of remuneration relinquished when leaving the former employer
- The annual bonus would operate in accordance with the terms of the policy, subject to the overriding discretion of the Committee. Depending on the timing and responsibilities of the appointment it may be necessary to set different performance measures and targets in the first year
- For an internal executive appointment, any variable pay element awarded in respect of the former role would be allowed to pay out according to its terms, adjusted as relevant to take into account the appointment. In addition, any other ongoing remuneration obligations existing prior to appointment would continue
- For external and internal appointments, the Committee may agree that the company will meet certain relocation expenses as appropriate.

For the appointment of a new chairman or non-executive director, the fee arrangement would generally be set in accordance with the fee policy in force at that time.

EXTERNAL NON-EXECUTIVE DIRECTOR POSITIONS

The company allows executive directors to hold external directorships subject to agreement by the Chairman on a case by case basis and, at the discretion of the Committee, to retain the fees received from those roles.

NON-EXECUTIVE DIRECTORS' LETTERS OF APPOINTMENT

The non-executive directors do not have service contracts with the company, but instead have letters of appointment. The letters of appointment are usually renewed every three years. Termination of the appointment may be earlier at the discretion of either party on three months' written notice for the Chairman and one month's written notice for other non-executive directors. None of the non-executive directors are entitled to any compensation if their appointment is terminated. Appointments will be subject to re-election at the annual general meeting by rotation.

DIRECTORS' REMUNERATION REPORT CONTINUED

NON-EXECUTIVE DIRECTORS' FEES

The non-executive directors' fees policy is described below:

NON-EXECUTIVE DIRECTORS		
FEES	**Purpose and link to strategy**	› To recruit and retain high calibre non-executives
	Operation	› Fees are determined by the board, with non-executive directors abstaining from any discussion or decision in relation to their fees › Non-executive directors are paid an annual fee for all board duties, which will include an annual award of shares (with the value of shares normally determined at the market price in February of each year) › In relation to the cash element, fees are normally paid monthly › In relation to the share element there will be certain restrictions which prevent the director selling these shares during the period of their appointment › Non-executive directors will not receive awards under any of the company's incentive arrangements or receive any pension provision › The fee levels are reviewed on a periodic basis, with reference to the time commitment of the role and market levels in companies of comparable size and complexity › In exceptional circumstances, if there is a temporary yet material increase in the time commitment for non-executive directors, the board may pay extra fees to recognise the additional workload › Non-executive directors shall be entitled to have reimbursed all expenses that they reasonably incur in the performance of their duties, including taxes payable thereon
	Maximum opportunity	› There is no cap on fees › Fees may be increased to ensure they continue to appropriately recognise the time commitment of the role, increases to fee levels for non-executive directors in general and fee levels in companies of a similar size and complexity

ANNUAL REPORT ON REMUNERATION – AUDITED INFORMATION

This section of the remuneration report contains details as to how the group's remuneration policy was implemented during the year ended 28 February 2017.

DISCLOSURE OF DIRECTORS' SINGLE-FIGURE TOTAL REMUNERATION FOR THE YEAR

The total single-figure remuneration of the directors during the year ended 28 February 2017 is set out below:

Director	Base salary and fees £	Benefits £	Annual bonus £	Long term incentives £	Pension £	Other £	Total £
Executive directors							
Mahmud Kamani	225,000	1,954	168,750	–	–	–	395,704
Carol Kane	225,000	5,232	168,750	–	11,250	–	410,232
Neil Catto	180,000	1,732	135,000	1,638,000	9,000	1,800	1,965,532
Total executive directors	630,000	8,918	472,500	1,638,000	20,250	1,800	2,771,468
Non-executive directors							
Peter Williams	70,000	–	–	–	–	25,000	95,000
David Forbes	50,000	–	–	–	–	10,000	60,000
Stephen Morana	40,000	–	–	–	–	10,000	50,000
Sara Murray	34,872	–	–	–	–	10,000	44,872
Mark Newton-Jones	16,667	–	–	–	–	–	16,667
Total non-executive directors	211,539	–	–	–	–	55,000	266,539
Total	**841,539**	**8,918**	**472,500**	**1,638,000**	**20,250**	**56,800**	3,038,007

The total single-figure remuneration of the directors during the year ended 29 February 2016 is set out below:

Director	Base salary and fees £	Benefits £	Annual bonus £	Pension £	Other £	Total £
Executive directors						
Mahmud Kamani	225,000	–	151,875	–	–	376,875
Carol Kane	225,000	1,866	151,875	11,250	–	389,991
Neil Catto	160,000	1,543	108,000	7,958	3,700	281,201
Total executive directors	610,000	3,409	411,750	19,208	3,700	1,048,067
Non-executive directors						
Peter Williams	70,000	–	–	–	25,000	95,000
David Forbes	50,000	–	–	–	10,000	60,000
Stephen Morana	40,000	–	–	–	10,000	50,000
Mark Newton-Jones	40,000	–	–	–	10,000	50,000
Total non-executive directors	200,000	–	–	–	55,000	255,000
Total	**810,000**	**3,409**	**411,750**	**19,208**	**58,700**	1,303,067

DIRECTORS' REMUNERATION REPORT CONTINUED

Figures in the single total figure remuneration include the following for the financial year:

BASE SALARY AND FEES	The amount of salary or non-executive directors' fees
OTHER	The value of SIP awards and SAYE options granted in the financial period for executive directors (SAYE option calculated as the 20% discount at grant on the three year plan) and the value of free shares issued to non-executive directors as part of their fees
ANNUAL BONUS	The amount of performance-related bonus receivable. Further details of the performance outcome can be found below
LONG TERM INCENTIVES	The value of long term incentives vesting based on performance ending in the year under review. Further details of the share options granted in 2014 and vested on 14 March 2017 based on performance measured to 28 February 2017 can be found below. A share price of 155p (the closing share price on the date of vesting) has been used for the purposes of valuing the gain
BENEFITS	The value of private medical insurance, life assurance and driver services

ANNUAL BONUS

For the year ended 28 February 2017, each director's potential bonus was 75% of basic salary. 40% of the potential bonus related to a revenue target and 60% of the potential bonus related to an EBITDA target. Bonus targets were as follows:

Financial target range	Bonus % of salary
EBITDA target:	
Threshold £24 million	13.5%
Upper limit £28 million or more	45.0%
Revenue target:	
Threshold £245 million	9.0%
Upper limit £275 million or more	30.0%

The amount of bonus payable varies on a sliding scale between the threshold and upper limit shown above. For the financial year ended 28 February 2017: EBITDA and revenue were above the upper limits, resulting in payments of 45% and 30% of salary respectively. Bonuses payable were as follows:

Name	Bonus % of salary
Mahmud Kamani	75%
Carol Kane	75%
Neil Catto	75%

LONG TERM SHARE INCENTIVES

As founder shareholders, neither Mahmud Kamani nor Carol Kane, both of whom have retained a significant equity stake in the company, received Executive Share Option Plan ("ESOP") awards either on Admission or as part of any subsequent grants. Of the executive directors, only Neil Catto holds options under the ESOP and LTIP subject to the achievement of performance conditions as follows:

Name	Option scheme	No. of ordinary shares under option	Exercise price pence	Date of grant	Exercise period
Neil Catto	2014 ESOP	2,000,000	50	14/03/14	14/03/17 to 13/03/24
	2015 ESOP	1,553,398	25.75	22/05/15	22/05/18 to 21/05/25
	2016 LTIP	404,822	1	30/06/16	30/06/19 to 30/06/26

The performance targets applying to the ESOP awards granted on Admission on 14/03/14 were based on the achievement of an aggregate group adjusted EBITDA target (as defined in the ESOP plan documentation) over the three financial years 2015, 2016 and 2017. 75% of the options were exercisable for the achievement of 75% of the target, rising on a straight line basis to 100% vesting for full achievement of the £92 million target. The actual aggregate adjusted EBITDA achieved was £72 million which resulted in 78% of the options vesting on 14 March 2017.

The performance targets for the shares granted on 22/05/15 are based upon the achievement of two key criteria, adjusted aggregate EBITDA (50%) and Total Shareholder Return (50%) over a three year period. Minimum 'threshold' and 'stretch' targets have been established by the Committee against these criteria. Vesting against the adjusted aggregate EBITDA target is on a straight line basis between £56.25 million (at which point 50% vesting of this tranche will occur) and £75 million (at which point 100% vesting of this tranche) will occur. Vesting against the TSR target is on a straight line basis between a Total Shareholder Return of 50% (at which point 25% vesting of this tranche will occur) and 150% at which point 100% vesting of this tranche will occur.

The performance targets for the shares granted on 30/06/16 are based upon the achievement of two key criteria, Earnings per Share (67%) and Total Shareholder Return (33%) over a three year period. Minimum 'threshold' and 'stretch' targets have been established by the Committee against these criteria. The EPS element vests on a straight line basis between target intervals from 1.6p for a 25% vesting to 2.4p for 100% vesting for the EPS element of the performance criteria. The TSR element vests on a straight line basis between target intervals from 50% growth in TSR for a 25% vesting to 125% growth in TSR for a 100% vesting for the TSR element of the performance criteria.

ALL-EMPLOYEE SHARE INCENTIVE PLAN ("SIP")

The HMRC-approved all employee Share Incentive Plan purchases shares and holds them in trust for the benefit of employees who remain with the company for three years. There are no performance criteria for the SIP shares. The directors hold the following options over shares under this scheme:

Name	No. of ordinary shares held in trust	Purchase price pence	Date of grant	Maturity date
Neil Catto	6,000	50	14/03/14	14/03/17
	3,571	28	19/06/15	19/06/18

SAVE AS YOU EARN SHARE SCHEME ("SAYE")

The HMRC-approved all-employee Save As You Earn scheme allows employees to purchase shares at a 20% discount to market price at date of grant on the future option date. There are no performance criteria for the SAYE shares. The directors hold the following options over shares under this scheme:

Name	Estimated shares to be purchased at option date	Option price pence	Date of grant	Option date
Neil Catto	50,467	21.4	29/06/15	01/08/18
	9,137	78.8	25/10/16	25/10/19

DIRECTORS' INTERESTS IN SHARES

The table below sets out the beneficial and non-beneficial interests in ordinary shares as at the year end.

Name of director	Beneficially owned at 29 February 2016	Free share award under NED remuneration policy	Shares acquired/ (disposed of) during the year	Beneficially owned at 28 February 2017	As a % of share capital	Outstanding share options	Shares held under SIP	SAYE options granted	**Total interests in shares at 28 February 2017**
Mahmud Kamani	198,932,382	–	–	198,932,382	17.71	–	–	–	**198,932,382**
Carol Kane	50,980,421	–	–	50,980,421	4.54	–	–	–	**50,980,421**
Neil Catto	–	–	–	–	–	3,958,220	9,571	59,604	**4,027,395**
Peter Williams	461,350	17,064	–	478,414	0.04	–	–	–	**478,414**
Stephen Morana	403,638	6,825	–	410,463	0.04	–	–	–	**410,463**
Sara Murray	–	6,825	–	6,825	0.00	–	–	–	**6,825**
David Forbes	264,540	6,825	–	271,365	0.02	–	–	–	**271,365**

DIRECTORS' REMUNERATION REPORT CONTINUED

SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Each of the executive directors has a service contract dated 21 February 2014, under which there is a 12 month notice period from both the company and the director.

The Chairman and non-executive directors provide their services under the terms of letters of appointment dated 21 February 2014. Under a variation to these letters of appointment, a share element was introduced to the remuneration package of the non-executive directors with effect from 1 March 2015 for a modest part of their total fee. It has been agreed that there will be no increase in the remuneration of the non-executive directors for at least four years from 1 March 2015. Details of the remuneration of the non-executive directors is set out herein.

COMPOSITION OF THE REMUNERATION COMMITTEE

The members of the Committee during the year were David Forbes (Committee chairman), Stephen Morana, Mark Newton-Jones (to 31 July 2016) and Sara Murray (from 1 August 2016). Executive directors are invited to attend meetings, if requested by the Committee, in order to provide information and advice, to enable the Committee to make informed decisions. Each director is, however, specifically excluded from any matter concerning his own remuneration. Representatives of New Bridge Street, the Committee's retained adviser, may also attend meetings by invitation. The Company Secretary attends meetings as secretary to the Committee.

ADVISERS TO THE REMUNERATION COMMITTEE

During the year, the Committee received advice from New Bridge Street, a trading name of Aon Hewitt Limited (part of the Aon plc group). No other company within the Aon plc group provides other services to the company. The total fees paid to New Bridge Street in respect of its services during the year were £5,928 (2016: £18,610). New Bridge Street is a signatory to the Remuneration Consultants Group Code of Conduct and operates voluntarily under this Code which sets out the scope and conduct of the role of executive remuneration consultants when advising UK listed companies. The Committee regularly reviews the external adviser relationship and is comfortable that New Bridge Street's advice remains objective and independent.

IMPLEMENTATION OF REMUNERATION POLICY FOR THE YEAR ENDING 28 FEBRUARY 2018 – UNAUDITED

Remuneration for the executive directors comprises the following elements, not all of which are currently provided to each executive director:

- Base salary
- Pension and other benefits
- Annual bonus
- Awards under the Long Term Incentive Plans
- Opportunity to participate in the all employee Share Incentive Plan and Save As You Earn scheme
- All employee Save As You Earn scheme.

BASE SALARY

The salaries of the executive directors are as follows:

		From 1 May 2017	From 1 March 2016
Mahmud Kamani	Joint CEO	£300,000	£225,000
Carol Kane	Joint CEO	£300,000	£225,000
Neil Catto	CFO	£225,000	£180,000

The Committee believes that, when compared to both internal and external reference points, the executive directors have been paid salaries which are materially below the market rates for the positions they hold. The increases in their salaries this year reflects the aim of the Committee to adjust them towards a more market-competitive rate. The increase also reflects the fact that the joint CEOs had previously had no change in base salary since the IPO in February 2014.

PENSION AND OTHER BENEFITS

Carol Kane and Neil Catto receive a company pension contribution of 5% of salary. Mahmud Kamani does not receive a company pension contribution.

Carol Kane and Neil Catto receive company health care benefits and life assurance. Carol Kane and Mahmud Kamani receive driver services. The Committee has agreed that the critical illness cover in the contracts of executive directors should be increased from two weeks to 40 weeks with effect from 1 April 2017.

ANNUAL BONUS

All of the executive directors are eligible to participate in the company-wide annual cash bonus plan. The Committee oversees the bonus plan, and any bonus payments are at the discretion of the Committee. The maximum bonus payable for the year ending February 2018 for Neil Catto will be increased from 75% to 100%. The maximum bonus payable to the joint CEOs will be increased from 75% to 200%. Performance will be measured over the single financial year ending 28 February 2018. The performance targets are based on a combination of revenue and EBITDA metrics (as defined in the plan), with a 40/60 weighting respectively. This choice of metrics reflects that these measures have been identified as the key indicators of the group's success against its growth strategy. The amount of bonus payable will be calculated as a percentage of base salary modified by a factor linked to the revenue and EBITDA metrics, for which there is a sliding scale set between upper and lower thresholds. The bonus will be payable in cash immediately after the announcement of the financial results.

The annual bonus targets, in relation to the financial year ending 28 February 2018, are considered to be commercially sensitive. Details of the targets, performance against those targets, and any payments resulting, will be disclosed in next year's annual report on remuneration.

LONG TERM INCENTIVE PLAN ("LTIP")

Awards will be made to Neil Catto and other members of our senior management team under the LTIP in line with the limits detailed in the remuneration policy. Neil Catto's award for the fiscal year 2018 has not yet been agreed but will be subject to performance targets relating to EPS and other financial measures measured over a three year period. As founder shareholders, neither Mahmud Kamani nor Carol Kane, both of whom have retained a significant equity stake in the company, will receive LTIP awards.

ALL-EMPLOYEE SHARE PLANS

The board adopted a UK HMRC-approved Share Incentive Plan on Admission and made a second grant of free shares in 2015. No further awards have been made under this scheme. The company offered HMRC-approved SAYE plans in financial years 2016 and 2017 and it is intended that a third SAYE grant is offered during 2018. The executive directors are eligible to participate in the schemes on the same basis as other employees.

REMUNERATION FOR NON-EXECUTIVE DIRECTORS

The Chairman and non-executive directors all receive a fee and annual allocation of shares each year to cover all their duties.

The current annual remuneration is:

		From 1 March 2017		From 1 March 2016	
		Share awards	Fees	Share awards	Fees
Peter Williams	Non-executive Chairman	£25,000	£70,000	£25,000	£70,000
David Forbes	NED and Senior Independent Director	£10,000	£50,000	£10,000	£50,000
Stephen Morana	NED and Chairman of Audit Committee	£10,000	£40,000	£10,000	£40,000
Sara Murray	NED	£10,000	£40,000	£10,000	£40,000

The above remuneration will be reviewed annually by the board. The company and the non-executive directors have agreed that there will be no increase in the remuneration of non-executive directors until 1 March 2019.

DAVID FORBES
Chairman of the Remuneration Committee

25 April 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES
IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations and International Financial Reporting Standards ("IFRS").

The directors are required by the Companies (Jersey) Law 1991, as amended, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and company as at the end of the financial year and of the profit or loss for that year. In preparing these financial statements, the directors are required to:

› Select suitable accounting policies and then apply them consistently
› Make judgements and estimates that are reasonable and prudent
› State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
› Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping accounting records that are sufficient to show and explain the group's and company's transactions. These records must disclose with reasonable accuracy at any time the financial position of the company and to enable the directors to ensure that any financial statements prepared comply with the Companies (Jersey) Law 1991, as amended. They are also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law and regulations.

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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

On behalf of the board

MAHMUD KAMANI
CAROL KANE
Directors

25 April 2017

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BOOHOO.COM PLC

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion, boohoo.com plc's group financial statements (the "financial statements"):

- give a true and fair view of the state of the group's affairs as at 28 February 2017 and of its profit 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 (Jersey) Law 1991.

What we have audited

The financial statements, included within the annual report and financial statements (the "Annual report") comprise:

- the Consolidated statement of financial position as at 28 February 2017;
- the Consolidated statement of comprehensive income for the year then ended;
- the Consolidated cash flow statement for the year then ended;
- the Consolidated statement of changes in equity for the year then ended; and
- the Notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

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.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Accounting records and information and explanations received

Under the Companies (Jersey) Law 1991 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
- proper accounting records have not been kept; or
- proper 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.

INDEPENDENT AUDITORS' REPORT CONTINUED
TO THE MEMBERS OF BOOHOO.COM PLC

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 50, 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 Article 113A of the Companies (Jersey) Law 1991 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 company's circumstances and have been consistently applied and adequately disclosed;

› the reasonableness of significant accounting estimates made by the directors; and

› the overall presentation of the financial statements.

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

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

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

PHILIP STORER
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Recognised Auditor
Manchester

25 April 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2017

	Note	2017 £000	2016 £000
Revenue	2	294,635	195,394
Cost of sales		(133,806)	(82,483)
Gross profit		160,829	112,911
Distribution costs		(66,849)	(45,501)
Administrative expenses		(68,534)	(53,756)
Other income	3	4,862	1,392
Operating profit	6	30,308	15,046
Finance income	4	637	628
Profit before tax		30,945	15,674
Taxation	10	(6,284)	(3,236)
Profit for the year		24,661	12,438
Profit for the year attributable to:			
Shareholders of the holding company		24,458	12,438
Non-controlling interest		203	–
		24,661	12,438
Total other comprehensive (expense)/income for the year, net of income tax			
Net fair value loss on cash flow hedges[1]		(6,747)	(5,661)
Total comprehensive income for the year		17,914	6,777
Total comprehensive income attributable to:			
Shareholders of the holding company		17,711	6,777
Non-controlling interest		203	–
		17,914	6,777
Earnings per share	7		
Basic		2.19p	1.11p
Diluted		2.16p	1.10p

1 Net fair value gains on cash flow hedges will be reclassified to profit or loss during the two years to 28 February 2019.

All activities relate to continuing operations.

The notes on pages 57 to 78 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 28 FEBRUARY 2017

	Note	2017 £000	2016 £000
ASSETS			
Non-current assets			
Intangible assets	11	35,446	4,542
Property, plant and equipment	12	32,019	21,426
Financial assets	21	231	28
Deferred tax	14	4,494	231
		72,190	26,227
Current assets			
Inventories	15	34,170	18,669
Trade and other receivables	16	11,944	7,096
Financial assets	21	489	35
Cash and cash equivalents		70,330	58,281
Total current assets		116,933	84,081
Total assets		189,123	110,308
LIABILITIES			
Current liabilities			
Trade and other payables	17	(58,053)	(30,013)
Interest bearing loans and borrowings	18	(2,382)	–
Financial liabilities	21	(10,229)	(4,291)
Current tax liability		(3,761)	(1,967)
Total current liabilities		(74,425)	(36,271)
Non-current liabilities			
Interest bearing loans and borrowings	18	(9,528)	–
Financial liabilities	21	(2,077)	(610)
Deferred tax	14	(2,597)	–
Total liabilities		(88,627)	(36,881)
Net assets		100,496	73,427
Equity			
Share capital	19	11,233	11,233
Share premium		551,720	551,666
Capital redemption reserve		100	100
Hedging reserve		(11,586)	(4,839)
EBT reserve		(761)	(761)
Translation reserve		5	1
Reconstruction reserve		(515,282)	(515,282)
Non-controlling interest		3,978	–
Retained earnings		61,089	31,309
Total equity		100,496	73,427

The notes 1 to 25 form part of these financial statements.

These financial statements of boohoo.com plc, registered number 114397, on pages 53 to 78 were approved by the board of directors on 25 April 2017 and were signed on its behalf by:

MAHMUD KAMANI
CAROL KANE
NEIL CATTO
Directors

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £000	Share premium £000	Capital redemption reserve £000	Hedging reserve £000	EBT reserve £000	Translation reserve £000	Recon-struction reserve £000	Non-controlling interest £000	Retained earnings £000	Total equity £000
Balance as at 1 March 2015	11,231	551,612	100	822	(430)	–	(515,282)	–	18,320	66,373
Purchase of shares by EBT	–	–	–	–	(331)	–	–	–	–	(331)
Share-based payments credit	2	54	–	–	–	–	–	–	551	607
Profit for the year	–	–	–	–	–	–	–	–	12,438	12,438
Translation of foreign operations	–	–	–	–	–	1	–	–	–	1
Other comprehensive expense	–	–	–	(5,661)	–	–	–	–	–	(5,661)
Balance at 29 February 2016	11,233	551,666	100	(4,839)	(761)	1	(515,282)	–	31,309	73,427
Acquisition of 66% interest in PrettyLittleThing.com Limited	–	–	–	–	–	–	–	3,775	–	3,775
Issue of shares	–	54	–	–	–	–	–	–	–	54
Share-based payments credit	–	–	–	–	–	–	–	–	1,895	1,895
Excess deferred tax on share-based payments	–	–	–	–	–	–	–	–	3,427	3,427
Profit for the year	–	–	–	–	–	–	–	203	24,458	24,661
Translation of foreign operations	–	–	–	–	–	4	–	–	–	4
Other comprehensive expense	–	–	–	(6,747)	–	–	–	–	–	(6,747)
Balance at 28 February 2017	**11,233**	**551,720**	**100**	**(11,586)**	**(761)**	**5**	**(515,282)**	**3,978**	**61,089**	**100,496**

The notes on pages 57 to 78 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 28 FEBRUARY 2017

	Note	2017 £000	2016 £000
Cash flows from operating activities			
Profit for the year		24,661	12,438
Adjustments for:			
Share-based payments charge		1,895	607
Depreciation charges and amortisation		4,765	3,058
Gain on sale of property, plant and equipment		–	(2)
Gain on option to acquire PrettyLittleThing.com Limited		(1,405)	–
Finance income		(637)	(628)
Tax expense		6,284	3,236
		35,563	18,709
Increase in inventories	15	(11,925)	(7,481)
Increase in trade and other receivables	16	(4,107)	(3,243)
Increase in trade and other payables	17	15,166	12,098
Cash generated from operations		34,697	20,083
Tax paid		(5,206)	(2,627)
Net cash generated from operating activities		29,491	17,456
Cash flows from investing activities			
Acquisition of intangible assets	11	(18,311)	(1,488)
Acquisition of tangible property, plant and equipment	12	(12,364)	(12,123)
Proceeds from sale of property, plant and equipment		–	2
Acquisition of 66% interest in PrettyLittleThing.com Limited (excess of cash acquired over consideration)		655	–
Finance income		614	619
Net cash used in investing activities		(29,406)	(12,990)
Cash flows from financing activities			
Purchase of own shares by EBT		–	(331)
Proceeds from the issue of ordinary shares		54	–
Proceeds from new loan		11,910	–
Net cash generated from/(used in) financing activities		11,964	(331)
Increase in cash and cash equivalents		12,049	4,135
Cash and cash equivalents at beginning of year		58,281	54,146
Cash and cash equivalents at end of year		70,330	58,281

Notes 1 to 25 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
(FORMING PART OF THE FINANCIAL STATEMENTS)

1 ACCOUNTING POLICIES

General information
boohoo.com plc is a public limited company incorporated and domiciled in Jersey and listed on the Alternative Investment Market (AIM) of the London Stock Exchange. Its registered office address is: 12 Castle Street, St Helier, Jersey, JE2 3RT. The company was incorporated on 19 November 2013.

Basis of preparation
The consolidated financial statements of the group have been approved by the directors and prepared on a going concern basis in accordance with International Financial Reporting Standards as adopted by the European Union ("Adopted IFRSs"), IFRS IC Interpretations and the Companies (Jersey) Law 1991.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the group and/or company
The following standards have been published and are mandatory for accounting periods beginning after 1 March 2017 but have not been early adopted by the group or company and could have an impact on the group and company financial statements:

› IFRS 9 Financial instruments (effective 1 January 2018)
› IFRS 15 Revenue from contracts with customers (effective 1 January 2018)
› IFRS 16 Leases (effective 1 January 2019).

At the time of preparing this report the group continues to assess the possible impact of the adoption of these standards in future periods and updates will be provided in a future annual report.

A number of other new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 March 2016 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the group.

The financial statements have been approved on the assumption that the group remains a going concern as explained on page 34.

Measurement convention
The consolidated financial statements have been prepared under the historical cost convention, excluding financial assets and financial liabilities (including derivative instruments) held at fair value through profit or loss. The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of consolidation
The group financial statements consolidate those of its subsidiaries and the Employee Benefit Trust. All intercompany transactions between group companies are eliminated.

Subsidiaries are entities controlled by the group. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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. Subsidiary undertakings acquired during the year are accounted for using the acquisition method of accounting. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Under the acquisition method of accounting, the cost of the acquisition is the aggregate of the fair values of the assets and liabilities and equity instruments issued on the acquisition date. The excess of the cost of acquisition over the group's share of the fair values of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the assets, the difference is recognised directly in the statement of comprehensive income.

The Employee Benefit Trust is considered to be a special purpose entity in which the substance of the relationship is that of control by the group in order that the group may benefit from its control. The assets held by the trust are consolidated into the group.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
(FORMING PART OF THE FINANCIAL STATEMENTS)

1 ACCOUNTING POLICIES CONTINUED

Business combinations
The group uses the acquisition method of accounting for business combinations of entities not under common control. Separable identifiable assets and liabilities are measured initially at their fair values on the acquisition date. Any non-controlling interest is measured at either fair value or at the non-controlling interest's share of the acquiree's net assets. Acquisition costs are expensed as incurred. The excess of any consideration paid over the fair value of the net assets is recognised as goodwill and any shortfall of consideration paid against the fair value of net assets is recognised directly in the statement of comprehensive income.

Intangible assets
Trademark and licences are stated at cost less accumulated amortisation and impairment losses and are amortised over their expected lives of ten years and charged to administrative expenses. Customer lists are amortised over expected customer lifetime value of three years.

The costs of acquiring or developing software are recorded as intangible assets and stated at cost less accumulated amortisation and impairment losses. The costs include the payroll costs of employees directly associated with the project and other direct external material and service costs. Costs are capitalised only where there is an identifiable project that will bring future economic benefit. Other website development and maintenance costs are expensed in the statement of comprehensive income. Software costs are amortised over three to five years based on their estimated useful lives and charged to administrative expenses in the statement of comprehensive income.

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. 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 statement of comprehensive income on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment, as follows: short leasehold assets over the life of the lease or 2%; buildings 2%; motor vehicles and computer equipment 33%; and fixtures and fittings 33%, 20% or 10%. The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date.

Financial instruments
Financial instruments are recognised at fair value and subsequently held at amortised cost using the effective interest method.

Derivative financial instruments and cash flow hedges
The group holds derivative financial instruments to hedge its foreign currency exposures. These derivatives, classified as cash flow hedges, are initially recognised at fair value and then re-measured at fair value at the end of each reporting date. Hedging instruments are documented at inception and effectiveness is tested throughout their duration. Changes in the value of cash flow hedges are recognised in other comprehensive income and any ineffective portion is immediately recognised in the statement of comprehensive income. If the firm commitment or forecast transaction that is the subject of a cash flow hedge results in the recognition of a non-financial asset or liability, then at the time the asset is recognised, the associated gains or losses on the derivative that had been previously recognised on other comprehensive income are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or liability, amounts deferred in other comprehensive income are recognised in the statement of comprehensive income in the same period in which the hedged item affects net profit.

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. Movements in impairment provisions are charged to the statement of comprehensive income.

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

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

Cash and cash equivalents
Cash and cash equivalents, for the purpose of the cash flow statement and the statement of financial position, comprises cash in hand.

Revenue
Revenue is attributable to the one principal activity of the business. Revenue represents net invoiced sales of goods including postage and packing receipts, excluding value added tax. Revenue from the sale of goods is recognised when the customer has received the products and is adjusted for actual returns and a provision for expected returns.

Rebates
Retrospective rebates from suppliers are accounted for in the period to which the rebate relates to the extent that it is reasonably certain that the rebate will be received. Early settlement discounts are taken when payment is made.

Leasing commitments
Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

Finance costs
Interest payable is recognised in the statement of comprehensive income as it accrues in respect of the effective interest rate method.

Finance income
Interest receivable is recognised in the statement of comprehensive income as it is earned.

Pension costs
The group contributes to a Group Personal Pension Scheme for certain employees under a defined contribution scheme. The costs of these contributions are charged to the statement of comprehensive income on an accruals basis as they become payable under the scheme rules.

Share-based payments
The group issues equity settled share-based payments in the parent company to certain employees in exchange for services rendered. These awards are measured at fair value on the date of the grant using an option pricing model and expensed in the statement of comprehensive income on a straight line basis over the vesting period after making an allowance for the estimated number of shares that are estimated will not vest. The level of vesting is reviewed and adjusted annually. Free shares awarded are expensed immediately.

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 reporting 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 reporting 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.

Deferred tax is provided for on the fair value of intangible assets acquired in subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
(FORMING PART OF THE FINANCIAL STATEMENTS)

1 ACCOUNTING POLICIES CONTINUED

Foreign currency translation
The results and cash flows of overseas subsidiaries are translated at the average monthly exchange rates during the period. The statement of financial position of each overseas subsidiary is translated at the yearend rate. The resulting exchange differences are recognised in a translation reserve in equity and are reported in other comprehensive income.

Transactions denominated in foreign currencies are translated into the functional currency at the exchange rates on the day of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the yearend rate and exchange differences are recognised in the statement of comprehensive income.

Significant estimates and judgements
The preparation of financial statements in conformity with IFRS as adopted by the EU requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. The estimates and assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Actual results could differ from these estimates and any subsequent changes are accounted for when such information becomes available. The judgements, estimates and assumptions that are the most subjective or complex are discussed below:

Refund accruals
Accruals for sales refunds are estimated based on recent historical returns and management's best estimates and are allocated to the period in which the revenue is recorded. Actual returns could differ from these estimates.

Inventory valuation
Inventory is carried at the lower of cost or net realisable value. The estimation of net realisable value may be different from the future actual value realised.

Share option valuation
Critical estimates and assumptions are made, in particular with regard to the calculation of the fair value of employee share options, using appropriate valuation models. The inputs and assumptions of the model are detailed in note 21.

Option to acquire the minority stake in Pretty Little Thing.com Limited
The company has an option to buy the 34% non-controlling interest in PrettyLittleThing.com Limited (formerly 21Three Clothing Company Limited) for market value or a lesser sum, depending upon financial performance in five years' time. The performance period for the option commences on 1 March 2017 and it is expected to attract a share-based-payments charge over the five year performance period in accordance with IFRS 2.

Intangible asset valuation
Critical estimates and assumptions are made with regard to the calculation of the fair value of intangible assets, based on management's best assessment of the value of each type of asset.

2 SEGMENTAL ANALYSIS

IFRS 8 Operating Segments, requires operating segments to be determined based on the group's internal reporting to the chief operating decision maker. The chief operating decision maker is considered to be the executive board, which has determined that the primary segmental reporting format of the group for 2017 is by brand. This is based on the group's management and internal reporting structure, i.e. boohoo and PrettyLittleThing ("PLT"). In 2016 the boohoo business was the only segment and that segment was analysed into geographical regions.

The executive board assesses the performance of each segment based on revenue and gross profit after distribution expenses before administrative expenses.

Year ended 28 February 2017	boohoo £000	PLT £000	Total £000
Revenue	283,378	11,257	294,635
Cost of sales	(129,026)	(4,780)	(133,806)
Gross profit	154,352	6,477	160,829
Distribution costs	(64,375)	(2,474)	(66,849)
Segment result	89,977	4,003	93,980
Administrative expenses	–	–	(68,534)
Other income	–	–	4,862
Operating profit	–	–	30,308
Finance income	–	–	637
Profit before tax	–	–	30,945

Year ended 29 February 2016	boohoo £000
Revenue	195,394
Cost of sales	(82,483)
Gross profit	112,911
Distribution costs	(45,501)
Segment result	67,410
Administrative expenses	(53,756)
Other income	1,392
Operating profit	15,046
Finance income	628
Profit before tax	15,674

Due to the nature of its activities, the group is not reliant on any individual customers.

No analysis of the assets and liabilities of each operating segment is provided to the chief operating decision maker in the monthly management accounts, therefore no measure of segmental assets or liabilities is disclosed in this note. There are no material non-current assets located outside the UK.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
(FORMING PART OF THE FINANCIAL STATEMENTS)

2 SEGMENTAL ANALYSIS CONTINUED

Revenue by geographic region

	2017 £000	2016 £000
UK	181,981	130,096
Rest of Europe	34,735	22,630
USA	40,435	16,523
Rest of world	37,484	26,145
	294,635	195,394

3 OTHER INCOME

	2017 £000	2016 £000
Income from warehouse management services (see note 20)	3,457	1,033
Gift to group from director for benefit of employees (see note 20)	–	359
Gain on option to acquire PrettyLittleThing.com Limited	1,405	–
	4,862	1,392

4 FINANCE INCOME

	2017 £000	2016 £000
Bank interest received	637	628

5 AUDITORS' REMUNERATION

	2017 £000	2016 £000
Audit of these financial statements	10	5
Disclosure below based on amounts receivable in respect of services to the group		
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	88	40
Other services relating to taxation	72	25
Implementation of employee share plan	–	7
	170	77

6 PROFIT BEFORE TAX

Profit before tax is stated after charging:	2017 £000	2016 £000
Operating lease rentals for buildings	1,060	712
Depreciation of property, plant and equipment	2,488	1,551
Amortisation of intangible assets	2,277	1,507

7 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit after tax attributable to members of the holding company by the weighted average number of shares in issue during the year. Own shares held by the Employee Benefit Trust are eliminated from the weighted average number of shares. Diluted earnings per share is calculated by dividing the profit after tax attributable to members of the holding company by the weighted average number of shares in issue during the year, adjusted for potentially dilutive share options.

	2017	2016
Weighted average shares in issue for basic earnings per share	1,118,177,098	1,118,429,548
Dilutive share options	16,269,059	11,761,758
Weighted average shares in issue for diluted earnings per share	1,134,446,158	1,130,191,306
Earnings (£000)	24,458	12,438
Basic earnings per share	2.19p	1.11p
Diluted earnings per share	2.16p	1.10p

8 STAFF NUMBERS AND COSTS

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

	Number of employees	
	2017	2016
Administration	689	489
Distribution	612	419
	1,301	908

The aggregate payroll costs of these persons were as follows:

	2017 £000	2016 £000
Wages and salaries	31,567	23,461
Social security costs	4,551	2,224
Post-employment benefits	410	325
Equity-settled share-based payment charges	1,895	607
	38,423	26,617

9 DIRECTORS' AND KEY MANAGEMENT COMPENSATION

	2017 £000	2016 £000
Short term employee benefits	5,006	2,925
Post-employment benefits	86	65
Equity-settled share-based payment charges	17	111
	5,109	3,101

Directors' and key management compensation comprises the directors and executive committee members. Directors' emoluments and pension payments are detailed in the directors' remuneration report on page 45. Directors' emoluments are borne by the principal trading subsidiary and not recharged to the parent company.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
(FORMING PART OF THE FINANCIAL STATEMENTS)

10 TAXATION

	2017 £000	2016 £000
Analysis of charge in year		
Current tax on income for the year	7,126	3,423
Adjustments in respect of prior year taxes	(6)	(2)
Deferred taxation	(836)	(185)
Tax on profit on ordinary activities	6,284	3,236

The total tax charge differs from the amount computed by applying the blended UK rate of 20.0% for the year (2016: 20.1%) to profit before tax as a result of the following:

Profit on ordinary activities before tax	30,945	15,674
Profit before tax multiplied by the standard blended rate of corporation tax of the UK of 20.0% (2016: 20.1%)	6,189	3,148
Effects of: Expenses not deductible for tax purposes	246	14
Income not subject to tax	(320)	–
Adjustments in respect of prior year taxes	(6)	(2)
Overseas tax differentials	5	4
Depreciation in excess of capital allowances	170	72
Tax on profit on ordinary activities	6,284	3,236

A change to reduce the main rate of corporation tax to 17% from 1 April 2020 was announced in the Chancellor's budget on 16 March 2016. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 17% from 1 April 2020 had already been substantively enacted on 15 September 2016.

11 INTANGIBLE ASSETS

	Patents and licences £000	Trademarks £000	Customer lists £000	Computer software £000	Total £000
Cost					
Balance at 1 March 2015	309	–	–	5,795	6,104
Additions	–	–	–	1,488	1,488
Disposals	–	–	–	(208)	(208)
Balance at 29 February 2016	309	–	–	7,075	7,384
On acquisition	–	10,000	4,800	152	14,952
Additions	1	15,070	1,026	2,213	18,310
Disposals	–	–	–	(232)	(232)
Balance at 28 February 2017	**310**	**25,070**	**5,826**	**9,208**	**40,414**
Accumulated amortisation					
Balance at 1 March 2015	118	–	–	1,425	1,543
Amortisation for year	31	–	–	1,476	1,507
Disposals	–	–	–	(208)	(208)
Balance at 29 February 2016	149	–	–	2,693	2,842
On acquisition	–	–	–	81	81
Amortisation for year	31	167	267	1,812	2,277
Disposals	–	–	–	(232)	(232)
Balance at 28 February 2017	**180**	**167**	**267**	**4,354**	**4,968**
Net book value					
At 28 February 2015	191	–	–	4,370	4,561
At 29 February 2016	160	–	–	4,382	4,542
At 28 February 2017	**130**	**24,903**	**5,559**	**4,854**	**35,446**

The cost and accumulated depreciation of trademarks and customer lists on acquisition represent those of PrettyLittleThing.com Limited (note 13) and the cost of trademarks and customer lists additions represent those of Nasty Gal.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
(FORMING PART OF THE FINANCIAL STATEMENTS)

12 PROPERTY, PLANT AND EQUIPMENT

	Short leasehold £000	Fixtures and fittings £000	Computer equipment £000	Motor vehicles £000	Land & buildings £000	Total £000
Cost						
Balance at 1 March 2015	643	3,323	1,311	91	7,677	13,045
Additions	123	6,201	285	22	5,492	12,123
Disposals	–	(26)	(31)	–	–	(57)
Balance at 29 February 2016	766	9,498	1,565	113	13,169	25,111
On acquisition	409	157	401	27	–	994
Additions	172	6,631	689	145	4,727	12,364
Disposals	(226)	(681)	(171)	–	–	(1,078)
Balance at 28 February 2017	**1,121**	**15,605**	**2,484**	**285**	**17,896**	**37,391**
Accumulated depreciation						
Balance at 1 March 2015	363	1,022	571	30	205	2,191
Depreciation charge for the year	116	819	454	21	141	1,551
Disposals	–	(26)	(31)	–	–	(57)
Balance at 29 February 2016	479	1,815	994	51	346	3,685
On acquisition	66	30	176	5	–	277
Depreciation charge for the year	118	1,538	512	66	254	2,488
Disposals	(226)	(681)	(171)	–	–	(1,078)
Balance at 28 February 2017	**437**	**2,702**	**1,511**	**122**	**600**	**5,372**
Net book value						
At 28 February 2015	280	2,301	740	61	7,472	10,854
At 29 February 2016	287	7,683	571	62	12,823	21,426
At 28 February 2017	**684**	**12,903**	**973**	**163**	**17,296**	**32,019**

The cost and accumulated depreciation on acquisition represent those of PrettyLittleThing.com Limited (note 13).

13 INVESTMENTS

The subsidiaries held and consolidated in these financial statements are set out below:

Name of company	Principal activity	Country of incorporation	Address	Percentage ownership
PrettyLittleThing.com Limited	Internet fashion retail	UK	Wellington Mill, Pollard Street East, Manchester	66%
21Three Trading Company Limited	Dormant company	UK	Wellington Mill, Pollard Street East, Manchester	66%
ABK Limited	Holding company	Jersey	12 Castle St, St Helier, Jersey	100%
boohoo.com UK Limited	Trading company	UK	49-51 Dale St, Manchester	100%
Nasty Gal Limited	Trading company	UK	49-51 Dale St, Manchester	100%
Boo Who Limited	Dormant company	UK	49-51 Dale St, Manchester	100%
boohoo.com USA Limited	Dormant company	UK	49-51 Dale St, Manchester	100%
boohoo.com USA Inc	Marketing office	USA	3 West 13th Street, New York	100%
boohoo.com Australia Pty Ltd	Marketing office	Australia	468 St Kilda Road, Melbourne	100%
Shanghai Wasabi Frog Boohoo Ltd	Dormant company	China	49-51 Dale St, Manchester	100%

The company acquired a 66% interest in PrettyLittleThing.com Limited ("PLT") (formerly 21Three Clothing Company Limited) on 3 January 2017. The consideration was £5.9 million, being £3.3 million plus 'cash less debt' of £2.6 million, payable in cash.

PLT is an online retailer of women's clothing, shoes and accessories. The directors considered that the acquisition of a complementary brand with differentiated product diversifies risk and adds market share in the rapidly expanding global online clothing market.

The fair value assets and liabilities on the acquisition date were as follows:

	£000
Fixed assets	
Intangible assets – trademark	10,000
Intangible assets – customer lists	4,800
Tangible fixed assets	787
Deferred tax asset	206
	15,793
Current assets	
Stock	3,576
Trade and other receivables	718
Cash	6,579
	10,873
Current liabilities	
Trade creditors and accruals	(12,878)
Deferred tax liability on intangible assets	(2,684)
Net assets	11,104
Non-controlling interest	(3,775)
Share of fair value net assets acquired	7,329

The fair value of the trademark was calculated using the relief from royalty method, with assumptions as follows: royalty rate 3.0%; and discount rate 30%. The fair value of the customer lists was calculated using the cost that PLT has incurred to acquire the customers during the period prior to acquisition. Trade and other receivables represents amounts owing from wholesale customers and prepaid expenses. The non-controlling interest of £3.8 million was valued as 34% of the fair value of the net assets.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
(FORMING PART OF THE FINANCIAL STATEMENTS)

13 INVESTMENTS CONTINUED

The option gain in the income statement, included in other income, is as follows:

	£000
Consideration	5,924
Fair value of net assets	(11,104)
Non-controlling interest	3,775
Option gain	1,405

Explanation of the gain on acquisition: boohoo.com plc entered into a call option agreement with the shareholders of PLT on 5 March 2014 in which the company obtained an option to purchase 100% of PLT for £5 million before March 2017. The consideration set at the time of the agreement is considerably lower than the fair value of the net assets at the acquisition date because of the high growth and success of the company. In order to ensure the continued success of PLT under group ownership, the original option agreement has been replaced by a new agreement, whereby the remaining senior management of PLT have been incentivised by retaining 34% of the share capital of PLT, which the directors of boohoo.com plc consider is in the best interests of the group. The consideration ultimately payable for the remaining 34% is dependent on a number of factors including the financial performance of PLT but is limited to a maximum of the market value at the future option date.

Acquisition costs included in administration expenses amounted to £0.3 million.

The statements of comprehensive income of PrettyLittleThing.com Limited ("PLT") for the two months from acquisition and the group for 12 months, as if PLT had been acquired since the beginning of the financial year, are as follows:

	PLT: two months from 3 January 2017 £000	Group: 12 months from 1 March 2016 £000
Revenue	11,257	338,704
Cost of sales	(4,780)	(152,931)
Gross profit	6,477	185,773
Distribution costs	(2,474)	(76,042)
Administrative expenses	(3,200)	(82,298)
Other income	–	4,862
Operating profit	803	32,295
Finance income	–	637
Profit before tax	803	32,932
Taxation	(205)	(6,079)
Profit after tax	598	26,853

14 DEFERRED TAX

Assets

	Depreciation in excess of capital allowances £000	Share-based payments £000	Total £000
Asset at 1 March 2015	(12)	58	46
Recognised in statement of comprehensive income	74	111	185
Asset at 29 February 2016	62	169	231
Recognised in statement of comprehensive income	170	666	836
Credit in equity	–	3,427	3,427
Asset at 28 February 2017	**232**	**4,262**	**4,494**

Liabilities

	Business combinations £000	Total £000
Recognised in statement of comprehensive income	(2,597)	(2,597)
Liability at 28 February 2017	**(2,597)**	**(2,597)**

Recognition of the deferred tax assets is based upon the expected generation of future taxable profits. The deferred tax asset is expected to be recovered in more than one year's time and the deferred tax liability will reverse in more than one year's time as the intangible assets are amortised.

15 INVENTORIES

	2017 £000	2016 £000
Finished goods	34,170	18,669

The value of inventories included within cost of sales for the year was £133,515,000 (2016: £82,187,000). An impairment provision of £291,000 (2016: £296,000) was charged to the statement of comprehensive income.

16 TRADE AND OTHER RECEIVABLES

	2017 £000	2016 £000
Amounts due from related party undertakings (note 20)	–	613
Trade and other receivables	9,446	4,937
Prepayments and accrued income	2,498	1,546
	11,944	7,096

Trade and other receivables represent amounts due from wholesale customers and advance payments to suppliers. Receivables past due are £698,000 (2016: £142,000). The provision for impairment of receivables is £573,000 (2016: £318,000).

The fair value of trade and other receivables is not materially different from the carrying value.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
(FORMING PART OF THE FINANCIAL STATEMENTS)

17 TRADE AND OTHER PAYABLES

	2017 £000	2016 £000
Trade payables	23,124	11,255
Amounts owed to related party undertakings (note 20)	2	17
Other payables	3,090	175
Accruals and deferred income	27,465	15,272
Taxes and social security payable	4,372	3,294
	58,053	30,013

The fair value of trade and other payables is not materially different from the carrying value.

18 INTEREST-BEARING LOANS AND BORROWINGS
This note provides information about the contractual terms of the group's interest-bearing loans and borrowings, which are measured at amortised cost.

	2017 £000	2016 £000
Non-current liabilities		
Secured bank loans	9,528	–
Current liabilities		
Current portion of secured bank loans	2,382	–

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	2017 £000	2016 £000
Secured bank loan	GB£	LIBOR + 0.95%	2022	11,910	–

The loan is repayable in instalments over the five years to 2022.

19 SHARE CAPITAL AND RESERVES

	2017 £000	2016 £000
1,123,304,869 authorised and fully paid ordinary shares of 1p each (2016: 1,123,267,330)	11,233	11,233

On 24 February 2017, 37,539 new ordinary shares were issued to non-executive directors as part of their annual remuneration.

Under merger accounting principles, a reconstruction reserve of £515,282,000 was created upon the acquisition of the group and flotation on 14 March 2014.

No dividends have been paid or are payable for the year ended 28 February 2017 (2016: £ nil).

20 RELATED PARTY DISCLOSURES

Related party	Company transacting with the related party	Nature of relationship	2017 £000	2016 £000
Amounts included in the statement of financial position				
Amounts due from related party undertakings				
PrettyLittleThing.com Limited	boohoo.com UK Limited	Shareholders and directors are the sons of Mahmud Kamani	–	613
Amounts owed to related party undertakings				
Kamani Construction Limited	boohoo.com UK Limited	Common directors and shareholders	2	12
Kamani Commercial Property Limited	boohoo.com UK Limited	Common directors and shareholders	–	5
Fixed assets – property				
Jogo Associates Limited Pension Scheme	boohoo.com UK Limited	Mahmud Kamani is a beneficiary of the Jogo pension scheme	–	1,600
Amounts included in the statement of comprehensive income				
Other income – warehouse management services				
PrettyLittleThing.com Limited	boohoo.com UK Limited	Shareholders and directors are the sons of Mahmud Kamani	3,457	1,033
Mahmud Kamani	boohoo.com UK Limited	Director's gift to company for benefit of employees re bonus payments	–	359
Other income – gain on exercise of option to acquire PrettyLittleThing.com Limited				
PrettyLittleThing.com Limited	boohoo.com plc	Shareholders and directors are the sons of Mahmud Kamani	1,405	–
Purchases				
The Pinstripe Property Investment Co. Limited	boohoo.com UK Limited	Common directors and shareholders	358	–
Kamani Construction Limited	boohoo.com UK Limited	Common directors and shareholders	4	22
Admin costs – marketing				
The White Cube Creative Limited	boohoo.com UK Limited	Director of supplier is the husband of boohoo.com plc director	71	71
Admin costs – office rental				
Kamani Commercial Property Limited	boohoo.com UK Limited	Common directors and shareholders	691	678

The company has an option to buy the non-controlling interest of 34% of the share capital of PrettyLittleThing.com Limited (formerly 21Three Clothing Company Limited) on 14 March 2022 for market value or less, subject to performance criteria. Umar Kamani, the son of Mahmud Kamani, joint CEO and director of boohoo.com plc, is a director and shareholder of PrettyLittleThing.com Limited.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
(FORMING PART OF THE FINANCIAL STATEMENTS)

20 RELATED PARTY DISCLOSURES CONTINUED

boohoo.com UK Limited provided chargeable third party logistics services for PrettyLittleThing.com Limited from September 2015 to December 2016 and received income as shown above under warehouse management services at market value.

boohoo.com UK Limited also acquired the freehold interest in office premises adjacent to its current head office, from Jogo Associates Limited Pension Scheme, a related company, for £1.6 million in February 2016 at market value.

boohoo.com plc acquired 66% of PrettyLittleThing.com Limited for £5.9 million from the sons of Mahmud Kamani on 3 January 2017.

21 FINANCIAL INSTRUMENTS

(a) Fair values of financial instruments

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting 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 reporting 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 reporting 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 reporting date.

Fair values

	2017 £000	2016 £000
Financial assets		
Cash and cash equivalents	70,330	58,281
Cash flow hedges	720	63
Trade and other receivables	9,446	5,550
	80,496	63,894

	2017 £000	2016 £000
Financial liabilities		
Cash flow hedges	12,306	4,901
Trade and other payables	53,681	26,719
Interest bearing loans and borrowings	11,910	–
	77,897	31,620

(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 hedging and other financial activities.

The group faces minimal credit risk from trade receivables as customers pay for their orders in full at the time of purchase and third party sales are to a small number of large established corporations. The risk of default from related party undertakings is considered low.

(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.

(d) Capital risk

Financial risk management

Capital risk is the risk that the group will not be able to continue as a going concern.

The group's approach to managing capital risk is to safeguard the group's ability to continue as a going concern by securing an appropriate mix of debt and equity funding, a strong credit rating and sufficient headroom. The capital structure is regularly reviewed to ensure it is appropriate to the group's strategic objectives. The funding requirements of the group are ascertained by regular cash flow forecasts and projections. At 28 February 2017 the group had capital of £158.9 million (2016: £131.7 million), comprising equity of £100.5 million (2016: £73.4 million) and net cash of £58.4 million (2016: £58.3 million).

(e) Foreign currency risk

Financial risk management

The group trades internationally and is exposed to exchange rate risk on purchases and sales, primarily in Australian dollars, euros and US dollars. The group's results are presented in pound sterling and are exposed to exchange rate risk on translation of foreign currency assets and liabilities.

The group's approach to managing foreign currency risk is to use financial instruments in the form of forward foreign exchange contracts to hedge foreign currency cash flows.

The fair value of forward foreign exchange contracts recognised in the Statement of Financial Position within financial assets at 28 February 2017 was £720,000 (2016: £63,000) and within financial liabilities was £12,306,000 (2016: £4,901,000). The non-current element of the financial assets is £231,000 (2016: £28,000) and of financial liabilities is £2,077,000 (2016: £610,000). Cash flows related to these contracts will occur during the two years to 28 February 2019 and gains or losses will be recognised in the statement of comprehensive income during those periods. The amount recognised in other comprehensive income during the year is a loss of £6,747,000 (2016: loss of £5,661,000) and the amount reclassified from other comprehensive income to profit and loss during the year is a loss of £5,484,000 (2016: gain of £802,000).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
(FORMING PART OF THE FINANCIAL STATEMENTS)

22 SHARE-BASED PAYMENTS

Summary of movements in awards

Number of shares	ESOP	LTIP	NED Plan	SIP	SAYE	Total	Weighted average exercise price pence
Outstanding at 1 March 2015	10,798,000	–	3,100,000	2,319,933	–	16,217,933	42.85
Granted during the year	11,539,854	–	–	1,942,624	5,241,493	18,723,971	21.86
Lapsed during the year	(1,667,000)	–	(3,100,000)	(802,891)	(480,780)	(6,050,671)	39.29
Exercised during the year	–	–	–	–	–	–	–
Outstanding at 29 February 2016	20,670,854	–	–	3,459,666	4,760,713	28,891,233	29.99
Exercisable at 29 February 2016	–	–	–	–	–	–	–
Granted during the year	2,597,500	2,287,514	–	–	2,815,108	7,700,122	48.59
Lapsed during the year	(2,581,500)	(184,239)	–	(647,733)	(385,591)	(3,799,063)	29.74
Exercised during the year	–		–	–	–	–	–
Outstanding at 28 February 2017	**20,686,854**	**2,103,275**	**–**	**2,811,933**	**7,190,230**	**32,792,292**	**34.39**
Exercisable at 28 February 2017	**–**	**–**	**–**	**–**	**–**	**–**	**–**

The group recognised a total expense of £1,949,000 during the year (2016: £607,000) relating to equity settled share-based payment transactions.

Employee Stock Ownership Plan ("ESOP")

The 2014 ESOP allows the grant of options to selected employees and executive directors of the group, based on a predetermined aggregate EBITDA target for the three financial years 2015 to 2017. The 2015 ESOP allows the grant of options to selected employees and executive directors of the group. With the exception of Neil Catto (CFO) there are no performance criteria. Neil Catto's options are subject to achieving performance criteria based on a predetermined aggregate EBITDA target and a measure of Total Shareholder Return for the three financial years ending 2016 to 2018. The 2016 ESOP allows the grant of options to selected employees of the group, without any performance criteria. Options may be granted by either the board or the trustees of the Employee Benefit Trust.

Date of grant	1 March 2016 no. of shares	Granted during the year no. of shares	Lapsed during the year no. of shares	Exercised during the year no. of shares	28 February 2017 no. of shares	Exercise price pence	Exercise period
14/03/14	7,817,000	–	(495,000)	–	7,322,000	50.00	14/03/17 – 13/03/24
27/03/14	776,000	–	–	–	776,000	50.00	27/03/17 – 26/03/24
04/07/14	988,000	–	(494,000)	–	494,000	50.00	04/07/17 – 03/07/24
22/05/15	11,089,854	–	(1,270,000)	–	9,819,854	25.75	22/05/18 – 21/05/25
09/06/16	–	2,597,500	(322,500)	–	2,275,000	57.75	09/06/19 – 08/06/26
	20,670,854	**2,597,500**	**(2,581,500)**	**–**	**20,686,854**		

The ESOP options were valued using a Black-Scholes model. The inputs into the model were as follows:

Grant date	14/03/14	27/03/14	04/07/14	22/05/15	09/06/16
Share price at grant date	50.00	59.25	44.25	25.75	57.75
Exercise price	50.00	50.00	50.00	25.75	57.75
Number of employees	104	4	1	130	119
Shares under option	7,322,000	776,000	494,000	9,819,854	2,275,000
Vesting period (years)	3	3	3	3	3
Expected volatility	33.33%	33.25%	33.45%	36.33%	36.75%
Option life (years)	10	10	10	10	10
Expected life (years)	3	3	3	3	3
Risk free rate	0.976%	1.067%	1.303%	0.966%	0.523%
Expected dividends expressed as a dividend yield	0%	0%	0%	0%	0%
Possibility of ceasing employment before vesting	25%	0%	50%	25%	30%
Expectations of meeting performance criteria	78%	78%	78%	100%	100%
Fair value per option (pence)	11.93	18.33	8.71	6.64	14.76

Long Term Incentive Plan ("LTIP")

The 2016 LTIP allows the grant of options to executive directors and senior management of the group, based on a predetermined aggregate Earnings per Share and Total Shareholder Return targets for the three financial years 2016 to 2019. Options may be granted by either the board or the trustees of the Employee Benefit Trust.

Date of grant	1 March 2016 no. of shares	Granted during the year no. of shares	Lapsed during the year no. of shares	Exercised during the year no. of shares	28 February 2017 no. of shares	Exercise price pence	Exercise period
30/06/16	–	2,287,514	(184,239)	–	2,103,275	1.00	30/06/19 – 29/06/26

The LTIP options were valued using a Black-Scholes model. The inputs into the model were as follows:

Grant date	30/06/16
Share price at grant date	57.25
Exercise price	1.00
Number of employees	10
Shares under option	2,103,275
Vesting period (years)	3
Expected volatility	37.06%
Option life (years)	10
Expected life (years)	3
Risk free rate	0.173%
Expected dividends expressed as a dividend yield	0%
Possibility of ceasing employment before vesting	8%
Expectations of meeting performance criteria	100%
Fair value per option (pence)	56.26

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
(FORMING PART OF THE FINANCIAL STATEMENTS)

22 SHARE-BASED PAYMENTS CONTINUED

Share Incentive Plan ("SIP")
Under the terms of the SIP, the board or the trustees of the Employee Benefit Trust grant free shares to every employee under an HMRC approved SIP. Awards must be held in trust for a period of at least three years after grant date and become exercisable at this date. There are no performance criteria.

Date of grant	1 March 2016 no. of shares	Granted during the year no. of shares	Lapsed during the year no. of shares	Exercised during the year no. of shares	28 February 2017 no. of shares	Exercise price pence	Exercise period
14/03/14	1,686,000	–	(378,000)	–	1,308,000	nil	14/03/17 – 13/03/24
02/04/14	109,580	–	(5,479)	–	104,101	nil	02/04/17 – 01/04/24
19/06/15	1,664,086	–	(264,254)	–	1,399,832	nil	19/06/18 – 18/06/25
	3,459,666	**–**	**(647,733)**	**–**	**2,811,933**		

The SIP options were valued using a Black-Scholes model. The inputs into the model were as follows:

Grant date	14/03/14	02/04/14	19/06/15
Share price at grant date	50.00	54.75	28.00
Exercise price	nil	nil	nil
Number of employees	218	19	392
Shares under option	1,308,000	104,101	1,399,832
Vesting period (years)	3	3	3
Expected volatility	33.33%	33.20%	35.89%
Option life (years)	10	10	10
Expected life (years)	3	3	3
Risk free rate	0.976%	1.143%	0.979%
Expected dividends expressed as a dividend yield	0%	0%	0%
Possibility of ceasing employment before vesting	55%	45%	50%
Expectations of meeting performance criteria	100%	100%	100%
Fair value per option (pence)	50.00	54.75	28.00

Expected volatility was found using a historical volatility calculator with reference to the share price of competitors over a three year period.

Save As You Earn ("SAYE") scheme

Under the terms of the SAYE scheme, the board or the trustees of the Employee Benefit Trust grants options to purchase ordinary shares in the company to employees who enter into an HMRC-approved SAYE scheme for a term of three years. Options are granted at up to a 20% discount to the market price of the shares on the day preceding the date of offer and are exercisable for a period of six months after completion of the SAYE contract.

Date of grant	1 March 2016 no. of shares	Granted during the year no. of shares	Lapsed during the year no. of shares	Exercised during the year no. of shares	28 February 2017 no. of shares	Exercise price pence	Exercise period
29/06/15	4,760,713	–	(320,033)	–	4,440,680	21.40	29/06/18 – 28/12/18
25/10/16	–	2,815,108	(65,558)	–	2,749,550	78.80	25/10/18 – 24/04/19
	4,760,713	**2,815,108**	**(385,591)**	**–**	7,190,230		

The SAYE options were valued using a Black-Scholes model. The inputs into the model were as follows:

Grant date	29/06/15	25/10/16
Share price at grant date	27.25	119.25
Exercise price	21.40	78.80
Number of employees	219	432
Shares under option	4,440,680	2,749,550
Vesting period (years)	3	3
Expected volatility	35.78%	38.40%
Option life (years)	3.5	3.5
Expected life (years)	3	3
Risk free rate	1.052%	0.277%
Expected dividends expressed as a dividend yield	0%	0%
Possibility of ceasing employment before vesting	25%	25%
Expectations of meeting performance criteria	100%	100%
Fair value per option (pence)	9.63	51.02

Expected volatility was found using a historical volatility calculator with reference to the share price of competitors over a three year period.

23 CAPITAL COMMITMENTS

Capital expenditure contracted for at the end of the reporting year but not yet incurred is as follows:

	2017 £000	2016 £000
Property, plant and equipment	2,100	–

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
(FORMING PART OF THE FINANCIAL STATEMENTS)

24 OPERATING LEASES

The group has lease agreements in respect of properties, plant and equipment, for which the payments extend over a number of years. The totals of future minimum lease payments under non-cancellable operating leases due in each period are:

	2017 £000	2016 £000
Within one year	1,229	734
Within two to five years	2,785	2,363
In more than five years	916	1,445
	4,930	4,542

25 CONTINGENT LIABILITIES

From time to time, the group can be subject to various legal proceedings and claims that arise in the ordinary course of business which may include cases relating to the group's brand and trading name. All such cases brought against the group are robustly defended and a liability is recorded only when it is probable that the case will result in a future economic outflow and that the outflow can be reliably measured. As at 28 February 2017, there are no pending claims or proceedings against the group which are expected to have material adverse effect on its liquidity or operations.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BOOHOO.COM PLC

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion boohoo.com plc's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 28 February 2017 and of its 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 (Jersey) Law 1991.

What we have audited

The financial statements, included within the annual report and financial statements (the Annual Report), comprise:

- the Company statement of financial position as at 28 February 2017;
- the Company statement of comprehensive income for the year then ended;
- the Company cash flow statement for the year then ended;
- the Company statement of changes in equity for the year then ended; and
- the Notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

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.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Accounting records and information and explanations received

Under the Companies (Jersey) Law 1991 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
- proper accounting records have not been kept; or
- proper 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.

We have no exceptions to report arising from this responsibility.

INDEPENDENT AUDITORS' REPORT CONTINUED
TO THE MEMBERS OF BOOHOO.COM PLC

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 50, 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 Article 113A of the Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

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

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

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

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

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

PHILIP STORER
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Recognised Auditor
Manchester

25 April 2017

COMPANY STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2017

	Note	2017 £000	2016 £000
Administrative expenses		(1,365)	(281)
Operating loss		(1,365)	(281)
Finance income		1,156	1,237
(Loss)/profit before tax		(209)	956
Taxation	3	(137)	(192)
(Loss)/profit and total comprehensive (loss)/income for the year		(346)	764

COMPANY STATEMENT OF FINANCIAL POSITION
AT 28 FEBRUARY 2017

	Note	2017 £000	2016 £000
ASSETS			
Non-current assets			
Investments	4	305,961	298,142
Intangible assets	5	16,096	–
Total non-current assets		322,057	298,142
Current assets			
Other receivables	6	13,370	27,502
Cash and cash equivalents		12,386	20,095
Total current assets		25,756	47,597
Total assets		347,813	345,739
LIABILITIES			
Current liabilities			
Other payables	7	(551)	(18)
Current tax liability		(131)	(192)
Total current liabilities		(682)	(210)
Net assets		347,131	345,529
Equity			
Share capital	8	11,233	11,233
Share premium		551,720	551,666
EBT reserve		(761)	(761)
Retained earnings		(215,061)	(216,609)
Total equity		347,131	345,529

The notes on pages 85 to 88 form part of these financial statements.

These financial statements of boohoo.com plc, registered number 114397, on pages 81 to 88 were approved by the board of directors on 25 April 2017 and were signed on its behalf by:

MAHMUD KAMANI
CAROL KANE
NEIL CATTO
Directors

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital £000	Share premium £000	EBT reserve £000	Retained earnings £000	Total equity £000
Balance as at 1 March 2015	11,231	551,612	(430)	(217,924)	344,489
Issue of shares	2	54	–	–	56
Purchase of shares by EBT	–	–	(331)	–	(331)
Share-based payments credit	–	–	–	551	551
Profit for the year and total comprehensive income	–	–	–	764	764
Balance at 29 February 2016	11,233	551,666	(761)	(216,609)	345,529
Issue of shares	–	54	–	–	54
Share-based payments credit	–	–	–	1,894	1,894
Loss for the year and total comprehensive loss	–	–	–	(346)	(346)
Balance at 28 February 2017	**11,233**	**551,720**	**(761)**	**(215,061)**	**347,131**

The notes on pages 85 to 88 form part of these financial statements.

COMPANY CASH FLOW STATEMENT
FOR THE YEAR ENDED 28 FEBRUARY 2017

	2017 £000	2016 £000
Cash flows from operating activities		
(Loss)/profit for the year	(346)	764
Adjustments for:		
Finance income	(1,156)	(1,237)
Tax expense	137	192
Loss before tax before changes in working capital and provisions	(1,365)	(281)
Decrease in other receivables	14,093	9,256
Increase in other payables	533	18
Net cash inflow from operating activities	13,261	8,993
Cash flows from investing activities		
Acquisition of intangible assets	(16,096)	–
Acquisition of 66% interest in PrettyLittleThing.com Limited	(5,924)	–
Interest received	1,194	1,201
Tax paid	(198)	(55)
Net cash (outflow)/inflow from investing activities	(21,024)	1,146
Cash flows from financing activities		
Proceeds from the issue of ordinary shares	54	56
Purchase of own shares by EBT	–	(331)
Net cash inflow/(outflow) from financing activities	54	(275)
(Decrease)/increase in cash and cash equivalents	(7,709)	9,864
Cash and cash equivalents at beginning of year	20,095	10,231
Cash and cash equivalents at end of year	12,386	20,095

The notes on pages 81 to 88 form part of these financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
(FORMING PART OF THE FINANCIAL STATEMENTS)

1 ACCOUNTING POLICIES

Basis of preparation
The financial statements of the company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations, as adopted by the European Union and the Companies (Jersey) Law 1991. As at the year end, these are the standards, subsequent amendments and related interpretations issued and adopted by the International Accounting Standards Board ("IASB") that have been endorsed by the European Union.

These financial statements are prepared on a going concern basis as explained on page 34 of the directors' report, under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3 of the consolidated financial statements.

A summary of the more important policies adopted in dealing with items that are considered material to the company and are not specifically included in the policies in the notes to the consolidated financial statements are shown below. Further required disclosures are included in note 1 of the consolidated financial statements on page 57.

Income
Dividend income is recognised when the right to receive payment is established.

Investments
Investments are accounted for at cost unless there is evidence of a permanent diminution in value, in which case they are written down to their estimated realisable value. Any such provision, together with any realised gains and losses, is included in the statement of comprehensive income.

boohoo.com plc is required to recognise share-based payment arrangements involving equity instruments where boohoo.com plc has remunerated those providing services to the entity in this way. boohoo.com plc makes contributions to boohoo.com UK Limited equal to the charge for the share-based payment arrangement, which is reflected as an increase in boohoo.com plc's investment in boohoo.com UK Limited.

Significant estimates and judgements
The preparation of financial statements in conformity with IFRS as adopted by the EU requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. The estimates and assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Actual results could differ from these estimates and any subsequent changes are accounted for when such information becomes available. The judgements, estimates and assumptions that are the most subjective or complex are discussed below:

Impairment of investment
The impairment of the carrying value of the investment in subsidiaries is calculated using forward looking assumptions of profit growth rates, discount rates and timeframes, which require management judgement and estimates that cannot be certain.

2 DIRECTORS' EMOLUMENTS AND STAFF COSTS

Directors' emoluments and pension payments are detailed in the directors' remuneration report on page 45. Directors' emoluments are borne by the principal trading subsidiary and not recharged to the parent company.

There are no staff costs in the company.

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED
(FORMING PART OF THE FINANCIAL STATEMENTS)

3 TAXATION

	2017 £000	2016 £000
Analysis of charge in year		
Current tax on income for the year	131	192
Adjustments in respect of prior year taxes	6	–
Tax on profit on ordinary activities	137	192

The total tax charge differs from the amount computed by applying the blended UK rate of 20.0% for the year (2016: 20.1%) to profit before tax as a result of the following:

	2017 £000	2016 £000
Profit on ordinary activities before tax	(209)	956
Profit before tax multiplied by the standard blended rate of corporation tax of the UK of 20.0% (2016: 20.1%)	(42)	192
Effects of:		
Expenses not deductible for tax purposes	173	–
Adjustments in respect of prior year taxes	6	
Tax on profit on ordinary activities	137	192

The company's profits for this financial year are taxed at an effective UK rate of 20.0%. There is no tax payable in Jersey.

4 INVESTMENTS

	Investments £000	Capital contribution £000	Total £000
Cost			
Balance at 1 March 2015	515,299	292	515,591
Additions	–	551	551
Balance at 29 February 2016	515,299	843	516,142
Additions	5,924	1,895	7,819
Balance at 28 February 2017	521,223	2,738	523,961
Impairment			
Balance at 1 March 2015	218,000	–	218,000
Balance at 29 February 2016	218,000	–	218,000
Balance at 28 February 2017	218,000	–	218,000
Net book value			
At 28 February 2015	297,299	292	297,591
At 29 February 2016	297,299	843	298,142
At 28 February 2017	303,223	2,738	305,961

The investment in subsidiaries was impaired during the year to 28 February 2015 to £298 million using value in use methodology, specifically a ten year discounted cash flow with a discount rate of 9.5%. The ten year period and discount rate are considered appropriate for the valuation of a business with a long term future and in line with accepted market practice. The discounted cash flows were based on lower growth rates of the business of the principal trading subsidiary, boohoo.com UK Limited, than were expected when the float price was set in March 2014 when the value of the investment in subsidiaries was established. The impairment of the investment was estimated at £218 million.

The capital contribution represents the value of the share based payment charges that are expensed in the subsidiary's financial statements for shares issued in the company.

At 28 February 2017 the company's subsidiaries were as follows:

Name of company	Principal activity	Country of incorporation	Address	Percentage ownership
PrettyLittleThing.com Limited	Trading company	UK	Wellington Mill, Pollard Street East, Manchester	66%
21Three Trading Company Limited	Dormant company	UK	Wellington Mill, Pollard Street East, Manchester	66%
Nasty Gal Limited	Trading company	UK	49-51 Dale Street, Manchester	100%
boohoo.com UK Limited	Trading company	UK	49-51 Dale Street, Manchester	100%
Boo Who Limited	Dormant company	UK	49-51 Dale Street, Manchester	100%
boohoo.com USA Limited	Dormant company	UK	49-51 Dale Street, Manchester	100%
boohoo.com USA Inc	Marketing office	USA	3 West 13th Street, New York	100%
boohoo.com Australia Pty Ltd	Marketing office	Australia	468 St Kilda Road, Melbourne	100%
Shanghai Wasabi Frog Boohoo Ltd	Dormant company	China	49-51 Dale Street, Manchester	100%

The accounting reference date of all subsidiaries of boohoo.com plc is 28 February, except for Shanghai Wasabi Frog Boohoo Ltd which has an accounting reference date of 31 December due to Chinese statutory requirements.

5 INTANGIBLE ASSETS

	Trademarks £000	Customer lists £000	Total £000
Cost			
On acquisition	14,464	1,632	16,096
Balance at 28 February 2017	**14,464**	**1,632**	**16,096**
Accumulated amortisation			
Amortisation for year	–	–	–
Balance at 28 February 2017	**–**	**–**	**–**
Net book value			
At 28 February 2017	**14,464**	**1,632**	**16,096**

The trademarks and customers list additions on acquisition are those of Nasty Gal.

6 OTHER RECEIVABLES

	2017 £000	2016 £000
Prepayments and accrued income	**43**	80
Receivable from subsidiary undertaking	**13,327**	27,422
	13,370	27,502

The fair value of other receivables is not materially different to their carrying value. The directors believe that the receivable from the subsidiary undertaking of £13,327,000 as at 28 February 2017 is fully recoverable.

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED
(FORMING PART OF THE FINANCIAL STATEMENTS)

7 OTHER PAYABLES

	2017 £000	2016 £000
Accruals and deferred income	551	18

The fair value of other receivables is not materially different to their carrying value.

8 SHARE CAPITAL

	2017 £000	2016 £000
1,123,304,869 authorised and fully paid ordinary shares of 1p each (2016: 1,123,267,330)	11,233	11,233

On 24 February 2017, 37,539 ordinary shares were issued to non-executive directors as part of their annual remuneration.

9 RELATED PARTY TRANSACTIONS
During the year, the company entered into transactions in the ordinary course of business with related parties as follows:

	2017 £000	2016 £000
Costs recharged by subsidiary undertakings	(969)	(318)
Interest recharged to subsidiary undertakings	826	965
	(143)	647

Administrative expenses incurred by boohoo.com UK Limited on behalf of the company were recharged to the company and interest on the company's loan to boohoo.com UK Limited was recharged at commercial rates to boohoo.com UK Limited.

boohoo.com plc acquired 66% of PrettyLittleThing.com Limited for £5.9 million from the sons of Mahmud Kamani on 3 January 2017.

FIVE YEAR GROUP STATEMENT OF COMPREHENSIVE INCOME

	2013 £000	2014 £000	2015 £000	2016 £000	2017 £000
Revenue	67,282	109,791	139,851	195,394	294,635
Cost of sales	(30,619)	(44,879)	(54,806)	(82,483)	(133,806)
Gross profit	36,663	64,912	85,045	112,911	160,829
Distribution costs	(13,613)	(24,290)	(30,653)	(45,501)	(66,849)
Administrative expenses	(19,764)	(30,289)	(43,814)	(53,756)	(68,534)
Other income	–	488	–	1,392	4,862
Operating profit	3,286	10,821	10,578	15,046	30,308
Finance income/(expense)	(102)	(84)	490	628	637
Profit before tax	3,184	10,737	11,068	15,674	30,945
Taxation	(614)	(2,310)	(2,663)	(3,236)	(6,284)
Profit for the year	2,570	8,427	8,405	12,438	24,661
Other comprehensive income for the year, net of income tax					
Net fair value (loss)/gain on cash flow hedges	–	20	802	(5,661)	(6,747)
Total comprehensive income for the year	2,570	8,447	9,207	6,777	17,914
Total comprehensive income attributable to:					
Shareholders of the holding company	2,570	8,447	9,207	6,777	17,711
Non-controlling interest	–	–	–	–	203
	2,570	8,447	9,207	6,777	17,914
Earnings per share*					
Basic	0.23p	0.75p	0.75p	1.11p	2.19p
Diluted	0.23p	0.74p	0.74p	1.10p	2.16p

* Earnings per share is calculated on the basis of the number of shares on admission for 2014 and prior years.

FIVE YEAR GROUP STATEMENT OF FINANCIAL POSITION

	2013 £000	2014 £000	2015 £000	2016 £000	2017 £000
Non-current assets	5,626	9,284	15,461	26,227	**72,190**
Current assets	12,320	19,258	70,031	84,081	**116,933**
Total assets	17,946	28,542	85,492	110,308	**189,123**
Equity attributable to the owners of the parent	1,849	9,760	66,373	73,427	**96,518**
Non-controlling interest	–	–	–	–	**3,978**
Current liabilities	13,576	16,424	19,119	36,271	**74,425**
Non-current liabilities	2,521	2,358	–	610	**14,202**
Total liabilities, capital and reserves	17,946	28,542	85,492	110,308	**189,123**

FIVE YEAR GROUP CASH FLOW STATEMENT

	2013 £000	2014 £000	2015 £000	2016 £000	2017 £000
Net cash generated from operating activities	5,607	5,879	12,161	17,456	**29,491**
Net cash used in investing activities	(4,648)	(4,577)	(7,798)	(12,990)	**(29,406)**
Net cash generated from/(used in) financing activities	2,088	(498)	44,372	(331)	**11,964**
Net movement in cash and cash equivalents	3,047	804	48,735	4,135	**12,049**
Opening cash and cash equivalents	1,560	4,607	5,411	54,146	**58,281**
Closing cash and cash equivalents	4,607	5,411	54,146	58,281	**70,330**

SHAREHOLDER INFORMATION

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