

This announcement contains inside information

boohoo.com plc – final results for the year ended 28 February 2018**“Leading the fashion eCommerce market”**

	2018	2017	Change
	£ million	£ million	
Revenue	579.8	294.6	+97%
Gross profit	306.4	160.8	+90%
<i>Gross margin</i>	52.8%	54.6%	-180bps
Adjusted EBITDA ⁽¹⁾	56.9	35.6	+60%
<i>% of revenue</i>	9.8%	12.1%	-230bps
Adjusted EBIT ⁽²⁾	50.4	31.2	+61%
<i>% of revenue</i>	8.7%	10.6%	-190bps
Adjusted profit before tax ⁽³⁾	51.0	31.9	+60%
Profit before tax	43.3	30.9	+40%
Adjusted diluted earnings per share ⁽⁴⁾	3.23p	2.20p	+47%
Diluted earnings per share	2.71p	2.16p	+25%
Net cash ⁽⁵⁾ at year end	133.0	58.4	+£74.6m

Financial Highlights**Group**

- Revenue £579.8 million, up 97% (92% CER⁽⁶⁾)
- Strong revenue growth across all geographies with UK up 95% and international up 99%
- Strong balance sheet with net cash of £133.0 million (2017: £58.4 million), following £50 million share placing and with robust operating cash flow of £76.2 million (2017: £36.1 million)

boohoo

- Revenue £374.1 million, up 32% (29% CER)
- Gross margin 51.2%, down 330bps, driven by planned investments in the customer proposition (retail gross margin 53.4% (2017: 56.1%))

PrettyLittleThing

- Revenue £181.3 million (up 228% on 12-month comparative period)
- Gross margin 55.2% (retail gross margin 57.2% (2017 12-month comparative: 57.3%))

Nasty Gal

- Revenue £24.4 million
- Revenue and customer growth both strong from start-up on 1 March 2017
- Gross margin 59.6%

Operational Highlights

Group

- Distribution centre extension build complete, fit-out on schedule, sufficient for over £1 billion future group operation

boohoo

- 6.4 million active customers⁽⁷⁾, up 22% on prior year
- Transition to new website platform complete across all markets, with stability, flexibility and performance improvements
- Significant investments in customer service improving the customer proposition

PrettyLittleThing

- 3.0 million active customers, up 128% on prior year
- Increasing momentum in brand awareness driving growth in customer numbers
- High profile celebrity associations driving traffic and international expansion

Nasty Gal

- 0.4 million active customers
- Product range built to over 5,000 lines in 12 months
- International appeal outside of US growing, increasing revenue
- New offices in Manchester to support a growing operational team and in Los Angeles focussing on marketing

Outlook and guidance

Trading in the first few weeks of the 2019 financial year has made a strong start. Group revenue growth for the next financial year (FY19) is expected to be 35% to 40% with adjusted EBITDA margin between 9% to 10% and capital expenditure of £50 to £60 million.

Looking beyond the current year we will continue to lead the market on value, service and proposition in all our key geographies. Whilst this will require a continued investment in people and infrastructure, we believe that the benefits of our investments in marketing and warehouse automation will generate economies of scale to allow us to drive sales growth of at least 25%, whilst maintaining a 10% EBITDA margin.

Mahmud Kamani and Carol Kane, joint CEOs, commented:

“The group made great progress during the year, integrating a new company, PrettyLittleThing, and a new brand, Nasty Gal, into the boohoo group. Revenue from boohoo continued to grow strongly, whilst there has been an exceptional performance from PrettyLittleThing, and Nasty Gal exceeded our estimates in its first year. Against a backdrop of difficult trading in the UK clothing sector, the group continued to perform well, gaining market share in the expanding online sector. Our international business showed higher growth rates and we are pleased with its gathering momentum.

Our strategy will remain focussed on providing the best fashion at great prices coupled with excellent customer service. To this end we have a plan of continuous investment in systems and technology to ensure we offer an optimal online shopping experience. International expansion will continue as we add more country-specific websites, refine our brands’ customer proposition and raise brand awareness through marketing and social media. Our extended distribution centre, which will have a significant element of automation to drive efficiency savings, is scheduled for operational use in early 2019.

We have announced this morning that PrettyLittleThing is to move into its own warehouse in the first half of the FY19 financial year. This brings incremental sales capacity in addition to that in our Burnley operations, will help underpin our infrastructure needs and add further operational flexibility for the group. It represents a significant milestone as we develop a distribution network capable of generating £3 billion of net sales globally, in line with our vision to lead the fashion eCommerce market.”

Investor and analyst meeting

A meeting for analysts will be held today at the office of Buchanan, 107 Cheapside, London, EC2V 6DN commencing at 9.30am. boohoo.com plc's 2018 results are available at www.boohooplc.com.

A live audio webcast will be available at 9.30am via the following link:
<http://vm.buchanan.uk.com/2018/boohoo250418/registration.htm>

A replay will subsequently be available from 12 noon via the same link.

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Notes:

- (1) Adjusted EBITDA is calculated as profit before tax, interest, depreciation, amortisation, share-based payment charges and option gain on PrettyLittleThing acquisition (2017).
- (2) Adjusted EBIT is calculated as profit before tax, interest, share-based payment charges, amortisation of acquired PrettyLittleThing and Nasty Gal intangible assets and option gain on PrettyLittleThing acquisition (2017).
- (3) Adjusted profit before tax is calculated as profit before tax, excluding share-based payment charges, amortisation of acquired PrettyLittleThing and Nasty Gal intangible assets and option gain on PrettyLittleThing acquisition (2017).
- (4) Adjusted diluted earnings per share is calculated as diluted earnings per share, adding back amortisation of acquired PrettyLittleThing and Nasty Gal intangible assets, share-based payment charges and option gain on PrettyLittleThing acquisition (2017).
- (5) Net cash is cash less borrowings.
- (6) CER designates Constant Exchange Rate translation of foreign currency revenue, which gives a truer indication of the performance in international markets by removing year-to-year exchange rate movements when local currency sales are converted to sterling.
- (7) Active customers defined as having shopped in the last year.

About boohoo.com plc

“Leading the fashion eCommerce market”

Founded in Manchester in 2006, the group started life as boohoo.com, an inclusive and innovative brand targeting young, value-orientated customers. For over 10 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 through boohooMAN.

In early 2017 the group extended its customer offering through the acquisitions of the vibrant fashion brand PrettyLittleThing, and free-thinking brand Nasty Gal. United by a shared customer value proposition, our brands design, source, market and sell great quality clothes, shoes and accessories at unbeatable prices. This investment proposition has helped us grow from a single brand, into a major multi-brand online retailer, leading the fashion eCommerce market for 16 to 30-year-olds around the world. Today the boohoo group sells to 9.8 million customer accounts across all its brands in almost every country in the world.

Forward looking statements and disclaimer

Certain statements included or incorporated by reference within this announcement may be, or may be deemed to be “forward-looking statements” in respect of the boohoo group’s operations, performance, prospects and/or financial condition. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words and words of similar meaning as “anticipates”, “aims”, “due”, “could”, “may”, “will”, “should”, “expects”, “believes”, “intends”, “plans”, “potential”, “targets”, “goal” or “estimates”.

By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions and actual results or events may differ materially from those expressed or implied by those statements. Accordingly, no assurance can be given that any particular expectation will be met and reliance should not be placed on any forward-looking statement. Additionally, forward-looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Except as required by applicable law or regulation (including to meet the requirements of the AIM Rules, MAR, the Prospectus Rules and/or the FSMA), the company expressly disclaims any responsibility or obligation to publish any updates or revisions to any forward-looking statements resulting from new information, future events or otherwise whether following any change to reflect events or circumstances after the date of this announcement. Nothing in this announcement should be construed as a profit forecast.

Disclaimer

This announcement and information communicated orally in relation to it does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase any shares or other securities in boohoo.com plc (the “company”), nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or commitment or investment decisions relating thereto, nor does it constitute a recommendation regarding the shares or other securities of the company. Past performance cannot be relied upon as a guide to future performance and persons needing advice should consult an independent financial adviser.

Statements in this announcement reflect the knowledge and information available at the time of its preparation. Liability arising from anything in this announcement shall be governed by English law. Nothing in this announcement shall exclude any liability under applicable laws that cannot be excluded in accordance with such laws.

All subsequent oral or written forward-looking statements attributed to boohoo.com plc or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this announcement are based on information available to the directors of the company at the date of this announcement, unless some other time is specified in relation to them, and the posting or receipt of this announcement shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

Performance during the year

Review of the business

“An outstanding year, with the integration of PrettyLittleThing and Nasty Gal adding to the already successful boohoo brand and introducing a step-change to the revenue and profits of the group.”

Overview

	2018 £000	2017 £000	Change
Revenue	579,800	294,635	+97%
Gross profit	306,355	160,829	+90%
<i>Gross margin</i>	52.8%	54.6%	-180bps
EBITDA	53,663	35,073	+53%
<i>% of revenue</i>	9.3%	11.9%	-265bps
Profit before tax	43,313	30,945	+40%
Diluted earnings per share	2.71	2.16p	+25%
Net cash ⁽¹⁾ at year end	133,047	58,420	+£74.6m
Underlying:			
Adjusted EBITDA ⁽²⁾	56,932	35,563	+60%
<i>% of revenue</i>	9.8%	12.1%	-230bps
Adjusted EBIT ⁽³⁾	50,403	31,232	+61%
<i>% of revenue</i>	8.7%	10.6%	-190bps
Adjusted profit before tax ⁽⁴⁾	51,031	31,869	+60%
Adjusted diluted earnings per share ⁽⁵⁾	3.23p	2.20p	+47%

(1) Net cash is cash less borrowings.

(2) Adjusted EBITDA is calculated as profit before tax, interest, depreciation, amortisation, share-based payment charges and option gain on PrettyLittleThing acquisition (2017).

(3) Adjusted EBIT is calculated as profit before tax, interest, share-based payment charges, amortisation of acquired PrettyLittleThing and Nasty Gal intangible assets and option gain on PrettyLittleThing acquisition (2017).

(4) Adjusted profit before tax is calculated as profit before tax, excluding share-based payment charges and amortisation of acquired intangible assets and option gain on PrettyLittleThing acquisition (2017).

(5) Adjusted diluted earnings per share is calculated as diluted earnings per share, adding back amortisation of acquired intangibles, share-based payment charges and option gain on PrettyLittleThing acquisition (2017).

The group made great progress during the year, integrating a new company, PrettyLittleThing, and a new brand, Nasty Gal, into the boohoo group. Revenue from boohoo continued to grow strongly, whilst there has been an exceptional performance from PrettyLittleThing, and Nasty Gal exceeded our estimates in its first year. Against a backdrop of difficult trading in the UK clothing sector, the group continued to perform well, gaining market share in the expanding online sector. Our international business showed much higher growth rates and we are particularly pleased with its gathering momentum. The group despatched 22 million orders to 9.8 million active customer accounts across all its brands, achieving total revenue of £579.8 million.

We raised £50 million from a share placing during the year, for investment in building and automation of our new distribution centre and, combined with significant cash generation by the group, our net cash balance rose to

£133.0 million. Capital investment during the year amounted to £46.4 million, much of this being for our distribution centre extension, with capital commitments at the end of the year of £28 million.

Distribution centre

Our group distribution centre in Burnley has been enlarged by a new building, with a footprint of 166,000 square feet, now complete and undergoing fit-out ready for use in early 2019. A key aspect of the new facility will be the introduction of a significant amount of automation, which will greatly improve picking efficiency and have a short payback period on the capital invested. The enlarged facility will be sufficient for an operation capable of generating over £1 billion in net sales. We have also opened substantial employee welfare facilities at the distribution and customer services centre, which includes a gym, exercise studio, leisure facilities and subsidised canteen. PrettyLittleThing will relocate its inventory to a separate third-party managed warehouse facility in the first half of FY19. This brings incremental sales capacity in addition to our Burnley operations, will help underpin PLT's infrastructure needs and adds further operational flexibility for the group as we continue to invest in our future distribution network. Project planning for future storage requirements is well under way with a project team working on the next phase of distribution centre development.

boohoo and boohooMAN

Performance

Revenue for the year increased to £374.1 million, up 32% (29% CER) on the previous year.

Revenue growth in the UK, the largest geographic market, has been robust and international growth very strong as the reach and appeal of the brand increases. Additional breadth in the product range has contributed to revenue growth, with several new product categories introduced in the year.

Product

boohoo's comprehensive range of clothing, footwear, accessories and beauty products has continued to grow during the year, with new additions and greater depth in ranges. Our extended women's size ranges of plus size and curve, petite and tall have performed extremely well and new additions such as premium, soft tailoring, lingerie, maternity and athleisure have contributed to revenue growth and to attracting a more diverse customer base. Menswear has continued to perform very well, with a rapidly growing and more comprehensive product line. Introductions this year included big and tall sizing, an extended activewear line and a MAN logo range.

Our offering changes daily, with hundreds of new styles added and the very latest fashions appearing within days or weeks of trends being spotted by our fashion experts and offered to our customers at affordable prices. The breadth of the range makes boohoo a destination to which customers keep returning to find their desired items with ease.

Marketing

Marketing activity is focussed on a successful formula of a mix of media, including social media influencers, bloggers, TV, outdoor, email, students and digital acquisition channels. Our Instagram site has greatly increased its reach, with followers doubling this year and content much increased. Our social media presence continues to grow and we now have 4.8 million followers on Instagram, 2.7 million Facebook likes and 0.6 million followers on Twitter.

Customer interaction

Active customer numbers over the last 12 months increased by 22% to 6.4 million. Conversion rate to sale increased from 4.0% to 4.3% of sessions, when measured on website statistics alone, in order to remove duplicated sessions on the app. Order frequency remained unchanged with customers placing an order with us, on average, 2.13 times in 12 months, whilst the number of items per basket rose 6% to 3.06.

We have continued to refine the customer proposition with free returns and next day delivery available in more overseas markets. Future developments will include more country-specific websites and even faster customer service response times.

boohoo Premier, offering unlimited shipping for an annual fee and introduced in late 2016 in the UK, has continued to attract many new subscribers. We have introduced several new payment types in overseas markets, in line with our aim to attain best-in-class customer service.

Technology

All our remaining regional websites were successfully migrated to the new website platform during the year. The new platform has proven to have superior stability, with no downtime during the peak Black Friday and pre-Christmas periods, greater flexibility for development and faster response times for customers.

We have continued to increase our use of cloud platforms for scalability and resilience of our systems. A continual programme of app improvement and development is ongoing, including roll-out of the app to more international markets. We have now implemented an image recognition capability. The first implementation of this technology allows customers to upload an image and find similar products from the boohoo range. We are experimenting with other uses of this in, for example, outfit builder, shop the look and other uses. boohooMAN launched apps for the UK, US and Australian markets during the year. All our sites are optimised for mobile browsing, whilst mobile device use continues to rise and now accounts for 73% of sessions.

PrettyLittleThing

Performance

PrettyLittleThing (“PLT”) achieved outstanding revenue growth of 228% over the comparable 12-month period and 209% in the like-for-like two-month post-acquisition period. The UK is the brand’s largest market, where revenue growth and market share have increased significantly. International sales growth has been exceptionally strong, up 364%. The international markets have enormous potential to grow given our relatively small market share in large opportunity markets including the USA, France and the rest of continental Europe. Gross margin has remained strong at 55.2% (2017 12-month comparative: 56.8%), with retail gross margin at 57.2% (2017 12-month comparative: 57.3%).

Product

PLT brings the latest and most relevant celebrity looks at affordable prices to our customers, with a choice of over 12,500 styles and new items available daily. We have widened our product range in the year to include higher price point premium categories, more beauty products and, from September 2017, a shape range. We launched two celebrity collections in the year with Kourtney Kardashian (October 2017) and Olivia Culpo (August 2017), which attracted significant global media interest across both traditional and social media channels. Our new curve, shape, plus and petite ranges have proved popular with customers in all markets, and we have also introduced an activewear range.

Marketing

Social media advertising is highly effective in reaching our target audience and we have seen the number of our followers increase significantly across all social media platforms. Our celebrity collaborations with Kourtney Kardashian, Kylie Jenner and Olivia Culpo have also been instrumental in raising brand awareness globally and the brand is recognised by the younger generation as one of the hottest in the UK.

Customer interaction

The number of country-specific websites increased to seven following the addition of our first foreign language website in French, with more foreign language websites set to be launched in the 2019 financial year. We have also strengthened our overall customer proposition and during the 2019 financial year there will be a continued focus on enhancing the customer experience, with the launch of fully tracked returns portals planned for Q1 of the financial year across multiple international markets.

Active customer numbers over the last 12 months increased by 128% to 3.0 million. We have 1.2 million followers on Facebook (an increase of 51% in 12 months), 0.3 million followers on Twitter, 3.3 million Instagram followers (an increase of 106% in 12 months), 2.0 million YouTube views as well as a presence on several other social media channels.

Significant investment has been made, and continues to be made, in our customer services team, enabling us to deliver market leading customer service across multiple platforms.

Technology

We have continued to invest in our technology infrastructure to enable us to support the growth of the business, as well as to offer the best quality customer proposition. Development has been underway throughout the year to enhance our websites to support the increasing product range and make the customer's shopping experience as seamless as possible. We have continued to invest in the development of our app which operates on both iOS and Android, with 20% of all customer visits coming via the app in the 2018 financial year, up from 10% in the prior period.

Nasty Gal

Performance

From a start-up in March 2017, revenue has increased steadily and strongly throughout the year. Revenue for the year amounted to £24.4 million, which was greater than our expectations. It is gratifying to see the growth in sales outside of the USA, where Nasty Gal predominated under its previous ownership, as this is highly encouraging in indicating the international appeal of the brand. We have invested heavily in marketing to increase brand awareness and re-energise the brand, concentrating on the key markets of the USA and UK initially.

We opened new offices in Los Angeles for our US marketing team and in Manchester for the expanding design, product and buying teams.

Product

Nasty Gal's distinctive product offering covers higher price points than those of boohoo and targets the confident girl who is not afraid to be herself. From a new start-up in March of this year, the range has increased to a comprehensive offering of clothing, shoes and accessories. We expect continued momentum in revenue growth as the range widens and the brand is reactivated through targeted marketing.

Marketing

The marketing strategy has focussed on building and extending the number of bloggers and influencers and staging key media events to re-engage customer interest and promote brand loyalty. A pop-up store in London generated much interest, contributing to a growing awareness of the brand in the UK.

Customer interaction

Nasty Gal has six country and regional websites, developed since start-up in March 2017 and Android and iOS apps for the UK, US and the Australian markets.

On social media we have 2.6 million followers on Instagram, 1.3 million Facebook likes and 0.2 million followers on Twitter.

From strength to strength

Financial review

“The group has achieved a strong performance with revenues and profits increasing in all territories.”

Group revenue by brand

	2018 £000	2017 £000	Change	Change CER
boohoo	374,115	283,378	+32%	+29%
PrettyLittleThing	181,269	11,257	-	-
Nasty Gal	24,416	-	-	-
	579,800	294,635	+97%	+92%

The sales revenue in 2017 above for PrettyLittleThing is for the two months to 28 February 2017 following acquisition. For comparative purposes, PrettyLittleThing's revenue for the twelve months to 28 February 2017 was £55.3 million.

Group revenue by geographical market

	2018 £000	2017 £000	Change	Change CER
UK	355,614	181,981	+95%	+95%
Rest of Europe	66,281	34,735	+91%	+73%
USA	92,690	40,435	+129%	+121%
Rest of world	65,215	37,484	+74%	+64%
	579,800	294,635	+97%	+92%

KPIs

boohoo

	2018	2017	Change
Active customers ⁽¹⁾	6.4 million	5.2 million	+22%
Number of orders	13.6 million	11.1 million	+22%
Order frequency ⁽²⁾	2.13	2.13	-
Conversion rate to sale ⁽³⁾	4.3%	4.0% ⁽⁵⁾	+30bps
Average order value ⁽⁴⁾	£39.25	£37.76	+4%
Number of items per basket	3.06	2.89	+6%

PrettyLittleThing

	2018	2 months 2017	12 months 2017	12 months' change
Active customers ⁽¹⁾	3.0 million	1.3 million	1.3 million	+128%
Number of orders	7.5 million	0.5 million	2.6 million	+189%
Order frequency ⁽²⁾	2.55	2.00	2.00	+28%
Conversion rate to sale ⁽³⁾	3.7%	3.7%	3.7%	-
Average order value ⁽⁴⁾	£36.05	£33.18	£34.36	+5%
Number of items per basket	2.43	2.03	2.10	+16%

Nasty Gal

	2018
Active customers ⁽¹⁾	0.4 million
Number of orders	0.6 million
Order frequency ⁽²⁾	1.37
Conversion rate to sale ⁽³⁾	1.7%
Average order value ⁽⁴⁾	£52.82
Number of items per basket	2.89

(1) Defined as having shopped in the last 12 months

(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

(5) 2017 restated on consistent basis as in 2018, based on website sessions only due to changing the app platform during 2018

Consolidated income statement

	2018 £000	2017 £000	Change
Revenue	579,800	294,635	+97%
Cost of sales	(273,445)	(133,806)	+104%
Gross profit	306,355	160,829	+90%
<i>Gross margin</i>	<i>52.8%</i>	54.6%	-180bps
Operating costs	(249,582)	(128,723)	
Other income	159	3,457	
Adjusted EBITDA	56,932	35,563	+60%
<i>Adjusted EBITDA margin %</i>	<i>9.8%</i>	12.1%	-230bps
Depreciation	(3,997)	(2,488)	
Amortisation of other intangible assets	(2,532)	(1,843)	
Adjusted EBIT	50,403	31,232	+61%
<i>Adjusting items:</i>			
Amortisation of acquired PrettyLittleThing and Nasty Gal intangible assets	(4,449)	(434)	
Equity-settled share-based payment charges	(3,269)	(1,895)	
Gain on option to acquire PrettyLittleThing.com Limited	-	1,405	
Operating profit	42,685	30,308	+41%
Finance income	774	637	
Finance expense	(146)	-	
Profit before tax	43,313	30,945	+40%
Tax	(7,313)	(6,284)	
Profit after tax for the year	36,000	24,661	+46%
Diluted earnings per share	2.71p	2.16p	+25%
Adjusted profit after tax for the year	42,310	25,119	+68%
Amortisation of acquired PrettyLittleThing and Nasty Gal intangible assets	(4,449)	(434)	
Share-based payment charges	(3,269)	(1,895)	
Gain on option to acquire PrettyLittleThing.com Limited	-	1,405	
Adjustment for tax	1,408	466	
Profit after tax for the year	36,000	24,661	
Adjusted profit for the period attributable to shareholders of the company	37,610	24,916	+51%
Adjusted diluted earnings per share	3.23p	2.20p	+47%

Gross margin reduced from 54.6% to 52.8%, primarily due to an increase in promotional activity, which has in turn increased sales growth, and to a lesser extent due to an increase in the proportion of wholesale revenue.

Operating costs comprise distribution costs and administrative expenses excluding depreciation and amortisation and have slightly decreased by 70bps on revenue. Distribution costs have increased with revenue growth and remained broadly in line with the prior year 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 and also remained in line with the prior year percentage of revenue.

Adjusted EBITDA, which is not a statutory measure, represents earnings before interest, tax, depreciation, amortisation, non-cash share-based payments charges and exceptional items. It provides a useful measure of the underlying profitability of the business. Adjusted EBITDA increased by 60% from £35.6 million to £56.9 million and, as a percentage of revenue, decreased from 12.1% to 9.8%, due to a combination of investment in the customer proposition in boohoo driving revenue growth and to the immaturity of the newly acquired and rapidly growing businesses, PrettyLittleThing and Nasty Gal.

Adjusted profit after tax, as with Adjusted EBITDA, provides another more consistent measure of the underlying profitability of the business by removing non-cash amortisation of intangible assets relating to the acquisition of PrettyLittleThing and Nasty Gal (being their trademarks and customer lists), share-based payment charges and exceptional items.

Taxation

The effective rate of tax for the year was 16.9% (2017: 20.0%), which is less than the blended UK statutory rate of tax for the year of 19.1% (2017: 20.0%), due to prior year tax adjustments relating to UK tax incentives on qualifying expenditure.

Consolidated statement of financial position

	2018	2017
	£000	£000
Intangible assets	30,877	35,446
Property, plant and equipment	71,994	32,019
Financial assets	2,445	231
Deferred tax asset	6,479	4,494
Non-current assets	111,795	72,190
Working capital	(30,923)	(11,939)
Net financial assets	5,466	(11,817)
Cash and cash equivalents	142,575	70,330
Interest bearing loans and borrowings	(9,528)	(11,910)
Deferred tax liability	(2,101)	(2,597)
Current tax liability	(4,505)	(3,761)
Net assets	212,779	100,496

Working capital has reduced primarily due to an increase in payables and accruals relating to our increased trading activity and the acquisition of the new brands.

Intangible and fixed asset additions and acquisitions

	2018	2017
	£000	£000
Acquired intangible and fixed assets		
PrettyLittleThing intangible assets	-	14,952
PrettyLittleThing tangible fixed assets	-	994
	-	15,946
Purchased intangible and fixed assets		
<i>Intangible assets</i>		
Nasty Gal intangible assets	-	16,096
Patents and licences	9	1
Software	2,403	2,213
	2,412	18,310
<i>Tangible fixed assets</i>		
Distribution centre	33,753	8,958
Offices, office equipment, fixtures and fit-outs	9,991	3,261
Motor vehicles	228	145
	43,972	12,364
Total intangible and fixed asset additions	46,384	46,620

Liquidity and financial resources

Operating cash flow was £76.2 million compared to £36.1 million in the previous year and free cash flow was £29.9 million compared to £5.4 million in the previous financial year. Capital expenditure was £46.4 million, which includes a £33.8 million investment in our distribution centre to support projected growth in trade. A share placing during the year raised £50 million. The closing cash balance for the group was £142.6 million and the net cash balance £133.0 million.

Consolidated cash flow statement

	2018	2017
	£000	£000
Profit for the year	36,000	24,661
Depreciation charges and amortisation	10,978	4,765
Share-based payments charge	3,269	1,895
Tax expense	7,313	6,284
Finance income	(774)	(637)
Finance expense	146	-
Increase in inventories	(14,078)	(11,925)
Increase in trade and other receivables	(5,393)	(4,107)
Increase in trade and other payables	38,780	15,166
Operating cash flow	76,241	36,102
Capital expenditure and intangible asset purchases	(46,384)	(30,675)
Free cash flow	29,857	5,427
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)
Proceeds from the issue of ordinary shares	51,531	54
Finance income received	612	614
Finance expense paid	(146)	-
Tax paid	(7,227)	(5,206)
Proceeds from new loan	-	11,910
Repayment of borrowings	(2,382)	-
Net cash flow	72,245	12,049
Cash and cash equivalents at beginning of year	70,330	58,281
Cash and cash equivalents at end of year	142,575	70,330

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 has a high propensity to spend on fashion and the market is resilient to external macroeconomic factors.

Outlook

We are very encouraged by the continued growth of our brands across all geographic regions. As online fashion retail grows globally, the group is well-placed to benefit from changing consumer preferences. Our strategy will remain focussed on providing the best fashion at great prices coupled with excellent customer service. To this end we have a plan of continuous investment in systems and technology to ensure we offer an optimal online shopping experience. International expansion will continue as we add more country-specific websites, refine our customer proposition and raise brand awareness through marketing and social media.

Our extended Burnley distribution centre, which will have a significant element of automation to drive efficiency savings, is scheduled for operational use in early 2019 and will provide sufficient capacity for an operation of over £1 billion net sales. PrettyLittleThing is also to move into its own warehouse in the first half of the FY19 financial year. This brings incremental sales capacity in addition to that in our Burnley operations, will help underpin our infrastructure needs and add further operational flexibility for the group. It represents a significant milestone as we develop a distribution network capable of generating £3 billion of net sales globally, in line with our vision to lead the fashion eCommerce market.

Trading in the first few weeks of the 2019 financial year has made a strong start. Group revenue growth for the next financial year (FY19) is expected to be 35% to 40% with adjusted EBITDA margin between 9% to 10% and capital expenditure of £50 to £60 million.

Consolidated statement of comprehensive income

for the year ended 28 February 2018

	<i>Note</i>	2018 £000	2017 £000
Revenue	2	579,800	294,635
Cost of sales		(273,445)	(133,806)
Gross profit		306,355	160,829
Distribution costs		(126,757)	(66,849)
Administrative expenses		(132,623)	(68,100)
Amortisation of acquired intangibles		(4,449)	(434)
Other income	3	159	4,862
Operating profit	5	42,685	30,308
Finance income	4	774	637
Finance expense		(146)	-
Profit before tax		43,313	30,945
Taxation	9	(7,313)	(6,284)
Profit for the year		36,000	24,661
Profit for the year attributable to:			
Owners of the parent company		31,652	24,458
Non-controlling interests		4,348	203
		36,000	24,661
Total other comprehensive income/(expense) for the year, net of income tax			
Loss reclassified to profit and loss during the year		6,516	9,604
Fair value gain/(loss) on cash flow hedges during the year		12,981	(16,351)
Total comprehensive income for the year		55,497	17,914
Total comprehensive income attributable to:			
Equity attributable to owners of the parent company		51,149	17,711
Non-controlling interests		4,348	203
Total equity		55,497	17,914
Earnings per share	6		
Basic		2.78p	2.19p
Diluted		2.71p	2.16p

Consolidated statement of financial position
at 28 February 2018

	<i>Note</i>	2018 £000	2017 £000
Assets			
<i>Non-current assets</i>			
Intangible assets	10	30,877	35,446
Property, plant and equipment	11	71,994	32,019
Financial assets	19	2,445	231
Deferred tax	13	6,479	4,494
		111,795	72,190
<i>Current assets</i>			
Inventories	14	48,248	34,170
Trade and other receivables	15	17,499	11,944
Financial assets	19	6,770	489
Cash and cash equivalents		142,575	70,330
Total current assets		215,092	116,933
Total assets		326,887	189,123
Liabilities			
<i>Current liabilities</i>			
Trade and other payables	16	(96,670)	(58,053)
Interest bearing loans and borrowings	17	(2,382)	(2,382)
Financial liabilities	19	(837)	(10,229)
Current tax liability		(4,505)	(3,761)
Total current liabilities		(104,394)	(74,425)
<i>Non-current liabilities</i>			
Interest bearing loans and borrowings	17	(7,146)	(9,528)
Financial liabilities	19	(467)	(2,077)
Deferred tax	13	(2,101)	(2,597)
Total liabilities		(114,108)	(88,627)
Net assets		212,779	100,496
Equity			
Share capital	18	11,496	11,233
Share premium		602,578	551,720
Capital redemption reserve		100	100
Hedging reserve		7,911	(11,586)
EBT reserve		(351)	(761)
Translation reserve		168	5
Reconstruction reserve		(515,282)	(515,282)
Non-controlling interest		8,761	3,978
Retained earnings		97,398	61,089
Total equity		212,779	100,496

Consolidated statement of changes in equity

	Share capital	Share premium	Capital redemption reserve	Hedging reserve	EBT reserve	Translation reserve	Reconstructi on reserve	Non-controlling interest	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
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
Loss reclassified to profit and loss	-	-	-	9,604	-	-	-	-	-	9,604
Fair value loss on cash flow hedges during the year	-	-	-	(16,351)	-	-	-	-	-	(16,351)
Balance at 28 February 2017	11,233	551,720	100	(11,586)	(761)	5	(515,282)	3,978	61,089	100,496
Issue of shares	264	50,857	-	-	410	-	-	-	-	51,531
Share-based payments credit	-	-	-	-	-	-	-	435	2,834	3,269
Excess deferred tax on share-based payments	-	-	-	-	-	-	-	-	1,823	1,823
Profit for the year	-	-	-	-	-	-	-	4,348	31,652	36,000
Translation of foreign operations	-	-	-	-	-	163	-	-	-	163
Loss reclassified to profit and loss	-	-	-	6,516	-	-	-	-	-	6,516
Fair value gain on cash flow hedges during the year	-	-	-	12,981	-	-	-	-	-	12,981
Balance at 28 February 2018	11,496	602,578	100	7,911	(351)	168	(515,282)	8,761	97,398	212,779

Consolidated cash flow statement
for the year ended 28 February 2018

	<i>Note</i>	2018 £000	2017 £000
Cash flows from operating activities			
Profit for the year		36,000	24,661
<i>Adjustments for:</i>			
Share-based payments charge		3,269	1,895
Depreciation charges and amortisation		10,978	4,765
Gain on option to acquire PrettyLittleThing.com Limited		-	(1,405)
Finance income		(774)	(637)
Finance expense		146	-
Tax expense		7,313	6,284
		56,932	35,563
Increase in inventories	<i>14</i>	(14,078)	(11,925)
Increase in trade and other receivables	<i>15</i>	(5,393)	(4,107)
Increase in trade and other payables	<i>16</i>	38,780	15,166
Cash generated from operations		76,241	34,697
Tax paid		(7,227)	(5,206)
Net cash generated from operating activities		69,014	29,491
Cash flows from investing activities			
Acquisition of intangible assets	<i>10</i>	(2,412)	(18,311)
Acquisition of property, plant and equipment	<i>11</i>	(43,972)	(12,364)
Acquisition of 66% interest in PrettyLittleThing.com Limited (excess of cash acquired over consideration)		-	655
Finance income received		612	614
Net cash used in investing activities		(45,772)	(29,406)
Cash flows from financing activities			
Proceeds from the issue of ordinary shares		52,281	54
Share issue costs written off to share premium		(750)	-
Finance expense paid		(146)	-
Proceeds from new loan		-	11,910
Repayment of borrowings		(2,382)	-
Net cash generated from financing activities		49,003	11,964
Increase in cash and cash equivalents		72,245	12,049
Cash and cash equivalents at beginning of year		70,330	58,281
Cash and cash equivalents at end of year		142,575	70,330

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

This condensed consolidated financial information for the year ended 28 February 2018 has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards as adopted by the European Union ("Adopted IFRSs"), IFRS IC Interpretations and the Companies (Jersey) Law 1991.

The financial information contained in this preliminary announcement for the years ended 28 February 2018 and 28 February 2017 does not comprise the group's statutory financial statements within the meaning of Companies (Jersey) Law 1991. Statutory accounts for the year ended 28 February 2018 will be filed with the Jersey Companies Registry in due course. The auditors' report on the statutory accounts for each of the years ended 28 February 2018 and 28 February 2017 is unqualified, does not draw attention to any matters by way of emphasis and does not contain any statement under any matters that are required to be reported by exception under Companies (Jersey) Law 1991.

Going concern

The directors have reviewed the group's forecast and projections, including assumptions concerning capital expenditure and expenditure commitments and their impact on cash flows, and have a reasonable expectation that the group has adequate financial resources to continue its operations for the foreseeable future. For this reason they have continued to adopt the going concern basis in preparing the financial statements.

In preparing the preliminary announcement, the directors have also made reasonable and prudent judgements and estimates and prepared the preliminary announcement on the going concern basis. The preliminary announcement and management report contained herein give a true and fair view of the assets, liabilities, financial position and profit and loss of the group.

Changes to accounting standards

There have been no changes to accounting standards during the year which have had or are expected to have any material impact on the group.

2 Segmental analysis

	Year ended 28 February 2018			
	boohoo £000	PLT £000	Nasty Gal £000	Total £000
Revenue	374,115	181,269	24,416	579,800
Cost of sales	(182,394)	(81,175)	(9,876)	(273,445)
Gross profit	191,721	100,094	14,540	306,355
Distribution costs	(80,417)	(40,661)	(5,679)	(126,757)
Segment result	111,304	59,433	8,861	179,598
Administrative expenses	-	-	-	(137,072)
Other income	-	-	-	159
Operating profit	-	-	-	42,685
Finance income	-	-	-	774
Finance expense	-	-	-	(146)
Profit before tax	-	-	-	43,313

	Year ended 28 February 2017		Total £000
	boohoo £000	PLT £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
Finance expense	-	-	-
Profit before tax	-	-	30,945

Revenue by geographic region

	2018 £000	2017 £000
UK	355,614	181,981
Rest of Europe	66,281	34,735
USA	92,690	40,435
Rest of world	65,215	37,484
	579,800	294,635

3 Other income

	2018 £000	2017 £000
Income from warehouse management services	-	3,457
Rental income	159	-
Gain on option to acquire PrettyLittleThing.com Limited	-	1,405
	159	4,862

The income from warehouse management services provided to PLT ceased after PLT became part of the group in January 2017.

4 Finance income and expense

	2018 £000	2017 £000
Finance income: Bank interest received	774	637
Finance expense: Loan interest paid	(146)	-

5 Profit before tax

Profit before tax is stated after charging/(crediting):	2018	2017
	£000	£000
Operating lease rentals for buildings	1,509	1,060
Equity-settled share-based payment charges	3,269	1,895
Gain on option to acquire PrettyLittleThing.com Limited	-	(1,405)
Depreciation of property, plant and equipment	3,997	2,488
Amortisation of intangible assets	2,532	1,843
Amortisation of acquired intangible assets	4,449	434

6 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.

	2018	2017
Weighted average shares in issue for basic earnings per share	1,138,722,751	1,118,177,098
Dilutive share options	27,108,839	16,269,059
Weighted average shares in issue for diluted earnings per share	1,165,831,590	1,134,446,158

Earnings (£000)	31,652	24,458
Basic earnings per share	2.78p	2.19p
Diluted earnings per share	2.71p	2.16p

Earnings (£000)	31,652	24,458
<i>Adjusting items:</i>		
Amortisation of intangible assets arising on acquisitions	4,449	434
Share-based payment charges	3,269	1,895
Gain on option to acquire PrettyLittleThing.com Limited	-	(1,405)
Adjustment for tax	(1,408)	(466)
Adjustment for non-controlling interest	(352)	-
Adjusted earnings	37,610	24,916
Basic adjusted earnings per share	3.30p	2.23p
Diluted adjusted earnings per share	3.23p	2.20p

Adjusted earnings and adjusted earnings per share gives a more consistent measure of the underlying performance of the business excluding non-cash accounting charges relating to the amortisation of intangible assets valued upon acquisitions, non-cash share-based payment charges and other exceptional items.

7 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	
	2018	2017
Administration	955	689
Distribution	1,220	612
	2,175	1,301

The aggregate payroll costs of these persons were as follows:

	2018	2017
	£000	£000
Wages and salaries	49,510	31,567
Social security costs	5,553	4,551
Post-employment benefits	647	410
Equity-settled share-based payment charges	3,269	1,895
	58,979	38,423

8 Directors' and key management compensation

	2018	2017
	£000	£000
Short-term employee benefits	5,856	5,006
Post-employment benefits	131	86
Equity-settled share-based payment charges	454	17
	6,441	5,109

Directors' and key management compensation comprises the directors and executive committee members.

9 Taxation

	2018	2017
	£000	£000
Analysis of charge in year		
Current tax on income for the year	9,294	7,126
Adjustments in respect of prior year taxes	(1,323)	(6)
Deferred taxation	(658)	(836)
Tax on profit on ordinary activities	7,313	6,284

The total tax charge differs from the amount computed by applying the blended UK rate of 19.08% for the year (2017: 20.0%) to profit before tax as a result of the following:

Profit on ordinary activities before tax	43,313	30,945
Profit before tax multiplied by the standard blended rate of corporation tax of the UK of 19.08% (2017: 20.0%)	8,273	6,189
<i>Effects of:</i>		
Expenses not deductible for tax purposes	375	246
Income not subject to tax	-	(320)
Adjustments in respect of prior year taxes	(1,323)	(6)
Overseas tax differentials	9	5
Depreciation in excess of capital allowances	(21)	170
Tax on profit on ordinary activities	7,313	6,284

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. The prior year tax adjustment is in respect of tax incentives for research and development expenditure.

10 Intangible assets

	Patents and licences £000	Trademarks £000	Customer lists £000	Computer software £000	Total £000
Cost					
Balance at 1 March 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
Additions	9	-	-	2,403	2,412
Disposals	-	-	-	(567)	(567)
Balance at 28 February 2018	319	25,070	5,826	11,044	42,259
Accumulated amortisation					
Balance at 1 March 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
Amortisation for year	31	2,507	1,942	2,501	6,981
Disposals	-	-	-	(567)	(567)
Balance at 28 February 2018	211	2,674	2,209	6,288	11,382
Net book value					
At 29 February 2016	160	-	-	4,382	4,542
At 28 February 2017	130	24,903	5,559	4,854	35,446
At 28 February 2018	108	22,396	3,617	4,756	30,877

The cost and accumulated amortisation of trademarks and customer lists on acquisition represent those of PrettyLittleThing and the cost of trademarks and customer lists additions represent those of Nasty Gal.

11 Property, plant and equipment

	Short leasehold	Fixtures and fittings	Computer equipment	Motor vehicles	Land & buildings	Total
	£000	£000	£000	£000	£000	£000
Cost						
Balance at 1 March 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
Additions	1,156	19,911	1,593	228	21,084	43,972
Disposals	(54)	(72)	(540)	(74)	-	(740)
Balance at 28 February 2018	2,223	35,444	3,537	439	38,980	80,623
Accumulated depreciation						
Balance at 1 March 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
Depreciation charge for the year	328	2,463	763	85	358	3,997
Disposals	(54)	(72)	(540)	(74)	-	(740)
Balance at 28 February 2018	711	5,093	1,734	133	958	8,629
Net book value						
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
At 28 February 2018	1,512	30,351	1,803	306	38,022	71,994

The cost and accumulated depreciation on acquisition represent those of PrettyLittleThing

12 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
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%
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%
PrettyLittleThing.com Limited	Internet fashion retail	UK	Wellington Mill, Pollard Street East, Manchester	66%
21Three Clothing Company Limited	Dormant company	UK	Wellington Mill, Pollard Street East, Manchester	66%
PrettyLittleThing.com USA Inc	Marketing office	USA	1209 Orange Street, Delaware	66%
Nasty Gal.com Limited	Trading company	UK	49-51 Dale St, Manchester	100%
Nasty Gal.com USA Inc	Marketing office	USA	6600 W Sunset Boulevard, Los Angeles	100%
Shanghai Wasabi Frog Boohoo Ltd	Dormant company	China	49-51 Dale St, Manchester	100%

13 Deferred tax

Assets

	Depreciation in excess of capital allowances £000	Share-based payments £000	Total £000
Asset at 1 March 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
Recognised in statement of comprehensive income	(72)	234	162
Credit in equity	-	1,823	1,823
Asset at 28 February 2018	160	6,319	6,479

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)
Recognised in statement of comprehensive income	496	496
Liability at 28 February 2018	(2,101)	(2,101)

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.

14 Inventories

	2018 £000	2017 £000
Finished goods	48,248	34,170

The value of inventories included within cost of sales for the year was £270,323,000 (2017: £133,515,000). An impairment provision of £3,413,000 (2017: £291,000) was charged to the statement of comprehensive income. There were no write-backs of prior period provisions during the year.

15 Trade and other receivables

	2018 £000	2017 £000
Trade receivables	13,381	9,446
Prepayments	3,658	2,489
Accrued income	460	9
	17,499	11,944

Trade receivables represent amounts due from wholesale customers and advance payments to suppliers. Receivables past due are £339,000 (2017: £698,000). The provision for impairment of trade receivables is £674,000 (2017: £573,000).

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

16 Trade and other payables

	2018 £000	2017 £000
Trade payables	34,203	23,124
Amounts owed to related party undertakings	31	2
Other creditors	1,084	3,090
Accruals	50,399	24,098
Deferred income	5,556	3,367
Taxes and social security payable	5,397	4,372
	96,670	58,053

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

17 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.

	2018 £000	2017 £000
Non-current liabilities		
Secured bank loans	7,146	9,528
Current liabilities		
Current portion of secured bank loans	2,382	2,382

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	2018 £000	2017 £000
Secured bank loan	GB£	LIBOR + 0.95%	2022	9,528	11,910

The loan is repayable in instalments over the five years to 2022. The loan is secured by a debenture comprising fixed and floating charges over all the assets and undertakings of boohoo.com UK Limited of £99.4 million (2017: £48.4 million), including all present and future freehold property, book and other debts, chattels and goodwill, both present and future.

18 Share capital and reserves

	2018	2017
	£000	£000
1,149,574,495 authorised and fully paid ordinary shares of 1p each (2017: 1,123,304,869)	11,496	11,233

During the year, a total of 3,504,814 shares were issued under the share incentive plans (2017: nil). On 7 June 2017, 22,727,273 shares were issued in a private placing of shares, raising £50 million. On 23 February 2018, 35,224 new ordinary shares were issued to non-executive directors as part of their annual remuneration (2017: 37,539).

The directors do not recommend the payment of a dividend so that cash is retained in the group for capital expenditure projects that are required for the rapid growth and efficiency improvements of the business and for suitable business acquisitions (2017: £nil).

19 Financial instruments

Fair values

	2018	2017
	£000	£000
Financial assets		
Cash and cash equivalents	142,575	70,330
Cash flow hedges	9,215	720
Trade and other receivables	13,841	9,455
	165,631	80,505

	2018	2017
	£000	£000
Financial liabilities		
Cash flow hedges	1,304	12,306
Trade and other payables	91,114	54,686
Interest bearing loans and borrowings	9,528	11,910
	101,946	78,902

20 Capital commitments

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

	2018	2017
	£000	£000
Property, plant and equipment	27,999	2,100

21 Operating Leases

The group has lease agreements in respect of property, 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:

	2018	2017
	£000	£000
Within one year	1,028	1,229
Within two to five years	3,066	2,785
In more than five years	792	916
	4,886	4,930

22 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 2018, there are no pending claims or proceedings against the group which are expected to have a material adverse effect on its liquidity or operations.

Appendix – prior period revenues by region

Revenue by period for the year to 28 February 2018 (FY18)

£'000	4m to 31 December				2m to 28 February				12m to 28 February			
	FY18	FY17	yoy %	yoy % CER	FY18	FY17	yoy %	yoy % CER	FY18	FY17	yoy %	yoy % CER
Total	228,215	114,294	100%	93%	88,710	53,025	67%	65%	579,800	294,635	97%	92%
Revenue by region												
UK	135,642	65,465	107%	107%	56,592	34,820	63%	63%	355,614	181,981	95%	95%
ROE	28,232	13,963	102%	76%	10,258	6,059	69%	54%	66,281	34,735	91%	73%
USA	39,618	19,299	105%	102%	13,475	5,910	128%	133%	92,690	40,435	129%	122%
ROW	24,723	15,567	59%	46%	8,385	6,236	34%	29%	65,215	37,484	74%	64%

£'000	3m to 31 May				3m to 31 August				6m to 31 August			
	FY18	FY17	yoy %	yoy % CER	FY18	FY17	yoy %	yoy % CER	FY18	FY17	yoy %	yoy % CER
Total	120,077	58,222	106%	98%	142,798	69,094	107%	104%	262,875	127,316	106%	101%
Revenue by region												
UK	74,532	37,396	99%	99%	88,849	44,300	101%	101%	163,381	81,696	100%	100%
ROE	12,220	6,938	76%	61%	15,571	7,775	100%	92%	27,791	14,713	89%	77%
USA	17,906	6,385	180%	155%	21,690	8,841	145%	136%	39,596	15,226	160%	145%
ROW	15,419	7,503	105%	80%	16,688	8,178	104%	98%	32,107	15,681	105%	89%

Revenue by period for the year to 28 February 2017 (FY17)

£'000	4m to 31 December				2m to 28 February				12m to 28 February			
	FY17	FY16	yoy %	yoy % CER	FY17	FY16	yoy %	yoy % CER	FY17	FY16	yoy %	yoy % CER
Total	114,294	73,692	55%	52%	53,025	30,918	72%	67%	294,635	195,394	51%	49%
Revenue by region												
UK	65,465	49,701	32%	32%	34,820	21,267	64%	64%	181,981	130,096	40%	40%
ROE	13,963	8,588	63%	54%	6,059	3,639	67%	47%	34,735	22,630	53%	47%
USA	19,299	5,962	224%	183%	5,910	2,660	122%	105%	40,435	16,523	145%	124%
ROW	15,567	9,441	65%	56%	6,236	3,352	86%	74%	37,484	26,145	43%	45%

£'000	3m to 31 May				3m to 31 August				6m to 31 August			
	FY17	FY16	yoy %	yoy % CER	FY17	FY16	yoy %	yoy % CER	FY17	FY16	yoy %	yoy % CER
Total	58,222	41,322	41%	42%	69,094	49,462	40%	40%	127,316	90,784	40%	41%
Revenue by region												
UK	37,396	26,273	42%	42%	44,300	32,855	35%	35%	81,696	59,128	38%	38%
ROE	6,938	4,943	40%	43%	7,775	5,460	42%	40%	14,713	10,403	41%	41%
USA	6,385	3,815	67%	60%	8,841	4,086	116%	100%	15,226	7,901	93%	81%
ROW	7,503	6,291	19%	27%	8,178	7,061	16%	27%	15,681	13,352	17%	27%

CER in this appendix for the year ended 28 February 2017 is calculated using exchange rates prevailing during the year ending 28 February 2017. Nomenclature: ROE – rest of Europe; ROW – rest of world; yoy – year-on-year; CER – constant exchange rate