

For FINAL release

The information contained within this announcement is deemed by the company to constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

boohoo group plc – final results for the year ended 28 February 2019

Strong growth and solid profitability

	2019 £ million	2018 £ million	Change
Revenue	856.9	579.8	+48%
Gross profit	469.0	306.4	+53%
<i>Gross margin</i>	54.7%	52.8%	+190bps
Adjusted EBITDA ⁽¹⁾	84.5	56.9	+49%
<i>% of revenue</i>	9.9%	9.8%	+10bps
Adjusted EBIT ⁽²⁾	75.1	50.4	+49%
<i>% of revenue</i>	8.8%	8.7%	+10bps
Adjusted profit before tax ⁽³⁾	76.3	51.0	+49%
Profit before tax	59.9	43.3	+38%
Adjusted diluted earnings per share ⁽⁴⁾	4.15p	3.23p	+29%
Diluted earnings per share	3.22p	2.71p	+19%
Net cash ⁽⁵⁾ at year end	190.7	133.0	+£57.7 million

Financial Highlights

Group

- Revenue £856.9 million, up 48% (47% CER⁽⁶⁾)
- Strong revenue growth across all geographies with UK up 37% and international up 64%
- Gross margin increased to 54.7% (2018: 52.8%)
- Adjusted EBITDA £84.5 million, 9.9% of revenue (2018: £56.9 million, 9.8%)
- Adjusted profit before tax £76.3 million (2018: £51.0 million)
- Strong balance sheet with net cash of £190.7 million (2018: £133.0 million), with robust operating cash flow of £111.9 million (2018: £76.2 million)

boohoo

- Revenue £434.6 million up 16% (15% CER)
- Gross margin 52.9%, up 170bps

PrettyLittleThing

- Revenue £374.4 million up 107% (107% CER)
- Gross margin 56.6% up 140bps

Nasty Gal

- Revenue £47.9 million up 96% (100% CER)
- Gross margin 56.7% down 290bps

Operational Highlights

Group

- Burnley distribution centre extension build and fit-out completed, with automation live in April 2019
- PrettyLittleThing's distribution centre successfully relocated to a larger facility in Sheffield

boohoo

- 7.0 million active customers⁽⁷⁾, up 9% on prior year
- Strong international growth, now 44% of total revenue
- Significant investments in customer service improving the customer proposition

PrettyLittleThing

- 5.0 million active customers, up 70% on prior year
- Customer proposition resonating with consumers, driving growth and increasing market share
- High profile celebrity associations driving traffic and international expansion, exceptionally well in the US

Nasty Gal

- 0.9 million active customers, up 122% on prior year
- Extensive product range now comprises over 8,000 lines
- Strong growth in US home market and international appeal and revenue growing rapidly

Outlook and guidance

Trading in the first few weeks of the financial year has been encouraging. Group revenue growth for the financial year is expected to be 25% to 30% with an adjusted EBITDA margin of around 10% and capital expenditure in the region of £50 to £60 million. This guidance includes the adoption of IFRS 16, which is expected to increase EBITDA by £4 to £5 million and be broadly neutral at a Profit Before Tax level.

Looking beyond the current year, we will continue to make investments across the group as part of our vision to lead the global fashion e-commerce market. Whilst this will require continued investments in people and infrastructure, we believe that the benefits of our multi-brand platform will continue to generate economies of scale, allowing us to target sales growth of 25% per annum, with an adjusted EBITDA margin of around 10% over the medium term.

John Lyttle, CEO, commented:

"I am very excited to have joined the boohoo Group at this key stage of its growth, with the group's disruptive and proven business model having delivered yet another excellent set of financial and operational results. In my short time within the business, I am delighted to have been able to meet a number of hugely talented people and have already been able to see many parts of the business. This has confirmed my belief and optimism that the group's investments into its brands and infrastructure have allowed it to develop a scalable multi-brand platform that is well-positioned to disrupt, gain market share and capitalise on what is a truly global opportunity."

Investor and analyst meeting

A meeting for analysts will be held today at the office of Buchanan, 107 Cheapside, London, EC2V 6DN commencing 9.30am (UK time).

A live audio webcast will be available at 9.30am via the following link:

<http://webcasting.buchanan.uk.com/broadcast/5c6bc25be6e1d92d38f4ed2d>

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

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.

Review of the business

“Another outstanding year from all our brands across all regions.”

Overview

	2019 £000	2018 £000	Change
Revenue	856,920	579,800	+48%
Gross profit	468,994	306,355	+53%
<i>Gross margin</i>	54.7%	52.8%	+190bps
EBITDA	72,601	53,663	+35%
<i>% of revenue</i>	8.5%	9.3%	-80bps
Profit before tax	59,856	43,313	+38%
Diluted earnings per share	3.22p	2.71p	+19%
Net cash ⁽¹⁾ at year end	190,726	133,047	+£57.7m
Underlying:			
Adjusted EBITDA ⁽²⁾	84,546	56,932	+49%
<i>% of revenue</i>	9.9%	9.8%	+10bps
Adjusted EBIT ⁽³⁾	75,074	50,403	+49%
<i>% of revenue</i>	8.8%	8.7%	+10bps
Adjusted profit before tax ⁽⁴⁾	76,250	51,031	+49%
Adjusted diluted earnings per share ⁽⁵⁾	4.15p	3.23p	+29%

(1) Net cash is cash less borrowings.

(2) Adjusted EBITDA is calculated as profit before tax, interest, depreciation, amortisation, share-based payment charges and exceptional items.

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

(4) Adjusted profit before tax is calculated as profit before tax, excluding share-based payment charges and amortisation of acquired intangible assets and exceptional items.

(5) Adjusted diluted earnings per share is calculated as diluted earnings per share, adding back amortisation of acquired intangibles, share-based payment charges and exceptional items.

Group revenue for the year increased by 48% (47% CER) to £856.9 million (2018: £579.8 million). Revenue growth across all territories and brands was strong.

Adjusted EBITDA was £84.5 million (2018: £56.9 million), an increase of 49%, with improved gross margin across the group leading to an adjusted EBITDA margin of 9.9% (2018: 9.8%). Adjusted profit before tax was £76.3 million (2018: £51.0 million), an increase of 49%. Profit before tax was £59.9 million (2018: £43.3 million), an increase of 38%. Adjusted diluted earnings per share was 4.15p, up 29% on the prior year. Diluted earnings per share rose to 3.22p, an increase of 19% (2018: 2.71p).

The group has performed exceptionally well during the year. Revenues have increased across all our brands in all regions. Our focus on key international markets has been highly successful, producing growth of 64% and

increasing international revenues to 43% of total revenue. PrettyLittleThing continues to perform exceptionally well, with a growth rate of 107%. Market share is increasing, driven by the customer proposition of great fashion at unbeatable prices, supported by an engaging social media presence and successful celebrity endorsements. Gross margins have improved as a result of stronger sell through, tighter control on stock cover and refinement of the customer proposition. Substantial investments have been completed to secure warehouse capacity for growth and improve the future efficiency of the Burnley warehouse with automation.

Cash flow generation was strong, with free cash flow up 118% to £65.1 million. Capital expenditure was £46.9 million as we invest in our infrastructure ahead of our growth curve. Our net cash balance at the period end increased to £190.7 million (2018: £133.0 million).

Distribution centres

During the year, the Burnley distribution centre extension build and fit-out was completed. Automation went live in April 2019, which will greatly improve picking efficiency and reduce costs in the financial year 2020 and beyond. We opened new welfare facilities to all Burnley employees and provided a bus service to the distribution centre from nearby towns. PrettyLittleThing's ("PLT") distribution centre relocation to Sheffield was completed successfully during July and August, with a low level of disruption to operations. Costs associated with this relocation are considered exceptional and amounted to £6.7 million. The addition of the Sheffield facility greatly increases our sales capacity, will help underpin PLT's infrastructure needs and adds further operational flexibility for the group. We continue to invest in our infrastructure, with our operations at Burnley and Sheffield representing significant stepping stones as we build towards creating a distribution network capable of generating £3 billion of net sales globally.

boohoo (including boohooMAN)

Performance

Revenue for the year increased to £434.6 million, up 16% on the previous year, with growth in all our key focus markets.

International growth continues to be strong and we are continuing to gain market share in the UK. Gross margin increased by 170bps to 52.9%, driven by improved stock control and refinement of the customer proposition.

Product

Our comprehensive size range offerings, the breadth of the product range and continuous fresh introductions have continued to drive growth. Hundreds of new styles are added daily and the very latest fashions appear within days or weeks of trends being spotted by our fashion experts and offered to our customers at affordable prices. boohooMAN has performed strongly with an extensive product range and increasing customer reach.

Marketing

Marketing activity included several high profile celebrity campaigns: Zendaya, Stefflon Don, French Montana, Dele Alli and Paris Hilton headed the cast and were instrumental in driving increased brand awareness. Other marketing activities continued using a successful formula of a mix of media, including social media influencers, reality TV ambassadors, bloggers, TV, outdoor, email, student events and digital acquisition channels. Our social media presence continues to grow and we now have 5.9 million followers on Instagram, 2.9 million Facebook fans and 0.5 million followers on Twitter.

Customer interaction

Active customer numbers over the last 12 months increased by 9% to 7.0 million. Conversion rate to sale decreased from 4.3% to 3.9% of sessions, when measured on website statistics alone. Order frequency increased 0.3%, with customers placing an order with us, on average, 2.14 times in 12 months, whilst the number of items per basket decreased 1% to 3.04.

Refinements to the customer proposition included free returns, next day delivery, shortened delivery times and more overseas collection points. The cut-off time for next day delivery in the UK is 11pm and SMS messaging for delivery status has been introduced. We are trialling artificial intelligence in customer contact response. We have

17 country-specific websites and have plans to introduce more foreign language websites optimised for local criteria, in line with our aim to attain best-in-class customer service.

Technology

The principal technology projects completed include new payment solutions and more country returns portals, which give more returns flexibility and enable us to refund customers immediately after the courier collects their parcel. We have also introduced social logins for UK customers.

The website and app are subject to continuous improvement in content, functionality, personalisation and ease of use. During the year we added visual search to the website, which enables customers to search for similar items either from a photograph they have uploaded or from an image on the website. Our app has been downloaded by nearly two million customers, generating a considerable growth in the number of visits.

PrettyLittleThing

Performance

PrettyLittleThing (“PLT”) has had an enormously successful year, with revenues increasing by 107% to £374.4 million. All territories delivered strong growth and significant increases in market share and it is clear that there is both the demand and potential for this to continue. The relocation of the distribution centre to Sheffield in the summer was executed extremely well, with a low level of disruption to the business during the move. Exceptional costs associated with the move amounted to £6.7 million. Gross margin has increased 140bps to 56.6%, with stronger sell-through and refinements to the customer proposition.

Product

Renowned for having the latest and most relevant celebrity looks, PLT offers over 20,500 styles at affordable prices to its customers. PLT’s “shape” ranges, which include Petite, Tall, Shape and Plus, have proved very popular in the year and have driven growth. Highly successful celebrity collaborations in the year included those with Model Hailey Baldwin, UK Radio presenter Maya Jama, American Hip-Hop stylist Karl Kani and US model Ashley Graham. The Karl Kani collaboration launched in January 2019 included PLT’s first ever unisex product range.

Marketing

The PLT brand is promoted through a global multi-channel marketing approach which seeks to engage with customers across the world. Celebrity collaborations are supported by an influencer network which seeks to leverage the power of social media to engage with our customers, giving us a combined reach of over 350 million impressions globally. The PLT ‘Royalty’ programme, which has shown significant growth in the year, gives customers in the UK and Ireland free unlimited next day delivery and seeks to generate increased customer loyalty to the PLT brand. Brand awareness is also supported by more traditional marketing approaches such as PLT’s sponsorship of the E! entertainment channel in the UK, Ireland, France and Australia, which directly appeals to PLT’s target market, as well as out-of-home advertising including the now iconic fleet of PLT taxis operating in major cities throughout the UK.

Customer interaction

We support eight country-specific websites and have plans for further foreign language sites next year, following the success of the French language site, introduced in the previous financial year. For the UK market, we offer a wide range of free return options. We have also introduced new returns options in international markets, accelerating the point of refund to enhance the customer experience. Customers have the option of using a virtual customer service assistant for frequently asked questions, which greatly reduces response wait time as well as cutting costs.

Active customer numbers over the last 12 months increased by 70% to 5.0 million. Conversion rate to sale decreased from 3.7% to 3.3% of sessions, when measured on website statistics alone. Order frequency increased 12%, with customers placing an order with us, on average, 2.84 times in 12 months, whilst the number of items per basket increased 12% to 2.72. We have 1.9 million followers on Facebook, 0.3 million followers on Twitter, 10.5 million Instagram followers, as well as a presence on several other social media channels.

Technology

Investment in technology is paramount to PLT's success and we have a programme of work across our services and customer-facing applications. The separation of systems with our micro-service architecture has allowed our platform to be more adaptable to cope with the business's pace of change and the continuing growth of our customers' order volumes and website traffic. Through the global reach of the Cloud, we can roll out new services worldwide so they are hosted as close as possible to our customers and built in a way we can ensure high performance. This agility will allow us to continue to invest at pace, delivering new experiences and innovation to our customers.

Key highlights for this year have been the introduction of a new automated chatbot which provides customers with instant assistance on a number of contact categories. New payment methods have been launched, with further payment options planned for the coming financial year. Our iOS and android apps have been developed throughout the year to improve the customer experience and conversion rates.

Nasty Gal

Performance

Revenue growth has been strong across all territories with a growth rate of 96%, increasing revenue to £47.9 million. In the brand's principal market, the USA where the brand originated, growth has been very strong. The next largest market is the UK, where brand awareness has increased substantially and growth has been exceptionally high. Gross margin was 56.7%, a reduction on the previous year but in line with our proposition strategy.

Product

The product range has increased substantially to over 8,000 styles and targets price points higher than those of boohoo. The brand has its roots in Los Angeles and portrays a distinctive look for the confident girl who likes to express her personality through the clothes she wears. The appeal of the brand extends outside of the USA, as rapidly increasing sales in the UK have proven.

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. Key influencers engaged during the year included Taylor le Shae and Emma Louise Connelly.

Customer interaction

Nasty Gal operates through six country and regional websites and Android and iOS apps in the UK, US and the Australian markets.

On social media we have 3.6 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

	2019 £000	2018 £000	Change	Change CER
boohoo	434,565	374,115	+16%	+15%
PrettyLittleThing	374,445	181,269	+107%	+107%
Nasty Gal	47,910	24,416	+96%	+100%
	856,920	579,800	+48%	+47%

Group revenue by geographical market

	2019 £000	2018 £000	Change	Change CER
UK	488,199	355,614	+37%	+37%
Rest of Europe	115,124	66,281	+74%	+67%
USA	166,262	92,690	+79%	+81%
Rest of world	87,335	65,215	+34%	+30%
	856,920	579,800	+48%	+47%

KPIs

boohoo

	2019	2018	Change
Active customers ⁽¹⁾	7.0 million	6.4 million	+9%
Number of orders	14.9 million	13.6 million	+10%
Order frequency ⁽²⁾	2.14	2.13	+0.3%
Conversion rate to sale ⁽³⁾	3.9%	4.3%	-36bps
Average order value ⁽⁴⁾	£41.38	£39.25	+5%
Number of items per basket	3.04	3.06	-1%

PrettyLittleThing

	2019	2018	Change
Active customers ⁽¹⁾	5.0 million	3.0 million	+70%
Number of orders	14.3 million	7.5 million	+89%
Order frequency ⁽²⁾	2.84	2.55	+11.7%
Conversion rate to sale ⁽³⁾	3.3%	3.7%	-47bps
Average order value ⁽⁴⁾	£40.41	£36.05	+12%
Number of items per basket	2.72	2.43	+12%

Nasty Gal

	2019	2018	Change
Active customers ⁽¹⁾	0.9 million	0.4 million	+122%
Number of orders	1.3 million	0.6 million	+128%
Order frequency ⁽²⁾	1.41	1.37	+2.9%
Conversion rate to sale ⁽³⁾	2.5%	1.7%	+71bps
Average order value ⁽⁴⁾	£49.83	£52.82	-6%
Number of items per basket	3.15	2.89	+9%

(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

Consolidated income statement

	2019 £000	2018 £000	Change
Revenue	856,920	579,800	+48%
Cost of sales	(387,926)	(273,445)	+42%
Gross profit	468,994	306,355	+53%
<i>Gross margin</i>	<i>54.7%</i>	<i>52.8%</i>	<i>+190bps</i>
Operating costs	(384,687)	(249,582)	
Other income	239	159	
Adjusted EBITDA	84,546	56,932	+49%
<i>Adjusted EBITDA margin %</i>	<i>9.9%</i>	<i>9.8%</i>	<i>+10bps</i>
Depreciation	(6,972)	(3,997)	
Amortisation of other intangible assets	(2,500)	(2,532)	
Adjusted EBIT	75,074	50,403	+49%
<i>Adjusted EBIT margin %</i>	<i>8.8%</i>	<i>8.7%</i>	<i>+10bps</i>
<i>Adjusting items:</i>			
Amortisation of acquired PrettyLittleThing and Nasty Gal intangible assets	(4,449)	(4,449)	
Equity-settled share-based payment charges	(5,278)	(3,269)	
Exceptional items – warehouse relocation	(6,667)	-	
Operating profit	58,680	42,685	+37%
Finance income	1,320	774	
Finance expense	(144)	(146)	
Profit before tax	59,856	43,313	+38%
Tax	(12,397)	(7,313)	
Profit after tax for the year	47,459	36,000	+32%
Diluted earnings per share	3.22p	2.71p	+19%
Adjusted profit after tax for the year	60,803	42,310	+44%
Amortisation of acquired PrettyLittleThing and Nasty Gal intangible assets	(4,449)	(4,449)	
Share-based payment charges	(5,278)	(3,269)	
Exceptional items – warehouse relocation	(6,667)	-	
Adjustment for tax	3,050	1,408	
Profit after tax for the year	47,459	36,000	
Adjusted profit for the period attributable to shareholders of the company	48,781	37,610	+30%
Adjusted diluted earnings per share	4.15p	3.23p	+29%

Gross margin increased from 52.8% to 54.7%, due to improvements in the customer proposition, tighter stock control and reduced clearance.

Operating costs comprise distribution costs and administrative expenses excluding depreciation and amortisation and have increased by 180bps on revenue. The distribution cost element excluding depreciation and exceptional item has increased with revenue growth and increased on the prior year as a percentage of revenue by 146bps due to the higher proportion of international shipments. The administrative expense element, which includes marketing expenses, but excluding the exceptional item, share-based payment charges, depreciation, amortisation and amortisation of acquired intangibles, has risen due to the combination of revenue growth and the building of our infrastructure to support the future business expansion and increased by a small margin of 37bps on 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 49% from £56.9 million to £84.5 million and, as a percentage of revenue, increased from 9.8% to 9.9%.

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 20.7% (2018: 16.9%), which is higher (2018: lower) than the blended UK statutory rate of tax for the year of 19.0% (2018: 19.1%), due to expenditure not deductible for tax purposes, the increase this year being principally depreciation on buildings and fit-out.

Consolidated statement of financial position

	2019 £000	2018 £000
Intangible assets	27,165	30,877
Property, plant and equipment	108,498	71,994
Financial assets	3,756	2,445
Deferred tax asset	4,034	6,479
Non-current assets	143,453	111,795
Working capital	(64,969)	(30,923)
Net financial assets	4,047	5,466
Cash and cash equivalents	197,872	142,575
Interest-bearing loans and borrowings	(7,146)	(9,528)
Deferred tax liability	(2,102)	(2,101)
Net current tax liability	(753)	(4,505)
Net assets	270,402	212,779

Working capital has reduced primarily due to an increase in payables and accruals relating to our increased trading activity.

Intangible and fixed asset additions

	2019	2018
	£000	£000
Purchased intangible and fixed assets		
<i>Intangible assets</i>		
Patents and licences	307	9
Software	2,930	2,403
	3,237	2,412
<i>Tangible fixed assets</i>		
Distribution centres	36,678	33,753
Offices, office equipment, fixtures and fit-outs	6,837	9,991
Motor vehicles	115	228
	43,630	43,972
Total intangible and fixed asset additions	46,867	46,384

Liquidity and financial resources

Operating cash flow was £111.9 million compared to £76.2 million in the previous year and free cash flow was £65.1 million compared to £29.9 million in the previous financial year. Capital expenditure was £46.9 million, which includes a £36.7 million investment in our distribution centres to support projected growth in trade. The closing cash balance for the group was £197.9 million and the net cash balance £190.7 million.

Consolidated cash flow statement

	2019 £000	2018 £000
Profit for the year	47,459	36,000
Depreciation charges and amortisation	13,921	10,978
Share-based payments charge	5,278	3,269
Loss on sale of fixed assets	24	-
Tax expense	12,397	7,313
Finance income	(1,320)	(774)
Finance expense	144	146
Increase in inventories	(18,558)	(14,078)
Increase in trade and other receivables	(4,935)	(5,393)
Increase in trade and other payables	57,513	38,780
Operating cash flow	111,923	76,241
Capital expenditure and intangible asset purchases	(46,867)	(46,384)
Free cash flow	65,056	29,857
Net proceeds from the issue of ordinary shares	3,653	51,531
Purchase of own shares by EBT	(1,833)	-
Proceeds from the sale of fixed assets	59	-
Finance income received	1,249	612
Finance expense paid	(144)	(146)
Tax paid	(10,361)	(7,227)
Repayment of borrowings	(2,382)	(2,382)
Net cash flow	55,297	72,245
Cash and cash equivalents at beginning of year	142,575	70,330
Cash and cash equivalents at end of year	197,872	142,575

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

The continued strong growth of our brands across all geographic regions is highly encouraging. Our proven strategy offering the latest fashion at unbeatable prices, supported by excellent customer service continues to resonate with consumers globally. Investments in our proposition and technology ensure we remain innovative and live up to our customers' expectations.

Our extended Burnley distribution centre now has a significant element of automation, which will enhance productivity and improve efficiency. Following the addition of the Sheffield facility for PrettyLittleThing, our distribution centres in Burnley and Sheffield represent significant stepping stones as we build towards creating a distribution network capable of generating £3 billion of net sales globally.

Trading in the first few weeks of the financial year has been encouraging. Group revenue growth for the financial year is expected to be 25% to 30% with an adjusted EBITDA margin of around 10% and capital expenditure in the region of £50 to £60 million. This guidance includes the adoption of IFRS 16, which is expected to increase EBITDA by £4 to £5 million and be broadly neutral at a Profit Before Tax level.

Looking beyond the current year, we will continue to make investments across the group as part of our vision to lead the global fashion e-commerce market. Whilst this will require continued investments in people and infrastructure, we believe that the benefits of our multi-brand platform will continue to generate economies of scale, allowing us to target sales growth of 25% per annum, with an adjusted EBITDA margin of around 10% over the medium term.

Consolidated statement of comprehensive income

for the year ended 28 February 2019

	<i>Note</i>	2019 £000	2018 £000
Revenue	2	856,920	579,800
Cost of sales		(387,926)	(273,445)
Gross profit		468,994	306,355
Distribution costs		(207,083)	(126,757)
<i>Exceptional distribution costs</i>		(6,162)	-
<i>Other distribution costs</i>		(200,921)	(126,757)
Administrative expenses		(203,470)	(137,072)
<i>Exceptional administrative expenses</i>		(505)	-
<i>Amortisation of acquired intangibles</i>		(4,449)	(4,449)
<i>Other administrative expenses</i>		(198,516)	(132,623)
Other income	3	239	159
Operating profit		58,680	42,685
Finance income	4	1,320	774
Finance expense		(144)	(146)
Profit before tax	6	59,856	43,313
Taxation	10	(12,397)	(7,313)
Profit for the year		47,459	36,000
Profit for the year attributable to:			
Owners of the parent company		37,772	31,652
Non-controlling interests		9,687	4,348
		47,459	36,000
Total other comprehensive income for the year			
(Gain)/loss reclassified to profit and loss during the year		(2,337)	6,516
Fair value gain on cash flow hedges during the year		2,229	12,981
Total comprehensive income for the year		47,351	55,497
Total comprehensive income attributable to:			
Equity attributable to owners of the parent company		37,664	51,149
Non-controlling interests		9,687	4,348
		47,351	55,497
Earnings per share	7		
Basic		3.27p	2.78p
Diluted		3.22p	2.71p

Consolidated statement of financial position
at 28 February 2019

	<i>Note</i>	2019 £000	2018 £000
Assets			
Non-current assets			
Intangible assets	11	27,165	30,877
Property, plant and equipment	12	108,498	71,994
Financial assets		3,756	2,445
Deferred tax	14	4,034	6,479
		143,453	111,795
Current assets			
Inventories	15	66,806	48,248
Trade and other receivables	16	22,576	17,499
Financial assets		5,883	6,770
Current tax receivable		3,186	-
Cash and cash equivalents	17	197,872	142,575
Total current assets		296,323	215,092
Total assets		439,776	326,887
Liabilities			
Current liabilities			
Trade and other payables	18	(154,351)	(96,670)
Interest-bearing loans and borrowings	19	(2,382)	(2,382)
Financial liabilities		(1,421)	(837)
Current tax liability		(3,939)	(4,505)
Total current liabilities		(162,093)	(104,394)
Non-current liabilities			
Interest-bearing loans and borrowings	19	(4,764)	(7,146)
Financial liabilities		(415)	(467)
Deferred tax	14	(2,102)	(2,101)
Total liabilities		(169,374)	(114,108)
Net assets		270,402	212,779
Equity			
Share capital	20	11,631	11,496
Share premium		606,086	602,578
Capital redemption reserve		100	100
Hedging reserve		7,803	7,911
EBT reserve		(2,174)	(351)
Translation reserve		-	168
Reconstruction reserve		(515,282)	(515,282)
Non-controlling interest		19,064	8,761
Retained earnings		143,174	97,398
Total equity		270,402	212,779

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 28 February 2017	11,233	551,720	100	(11,586)	(761)	5	(515,282)	3,978	61,089	100,496
Profit for the year	-	-	-	-	-	-	-	4,348	31,652	36,000
<i>Other comprehensive income:</i>										
Loss reclassified to profit and loss in revenue	-	-	-	6,516	-	-	-	-	-	6,516
Fair value gain on cash flow hedges during the year	-	-	-	12,981	-	-	-	-	-	12,981
Total comprehensive income for the year	-	-	-	19,497	-	-	-	4,348	31,652	55,497
Issue of shares	263	50,858	-	-	410	-	-	-	-	51,531
Share-based payments credit	-	-	-	-	-	-	-	435	2,834	3,269
Excess deferred tax on share-based payments	-	-	-	-	-	-	-	-	1,823	1,823
Translation of foreign operations	-	-	-	-	-	163	-	-	-	163
Balance at 28 February 2018	11,496	602,578	100	7,911	(351)	168	(515,282)	8,761	97,398	212,779
Profit for the year	-	-	-	-	-	-	-	9,687	37,772	47,459
<i>Other comprehensive income/(expense):</i>										
Gain reclassified to profit and loss in revenue	-	-	-	(2,337)	-	-	-	-	-	(2,337)
Fair value gain on cash flow hedges during the year	-	-	-	2,229	-	-	-	-	-	2,229
Total comprehensive income for the year	-	-	-	(108)	-	-	-	9,687	37,772	47,351
Issue of shares	135	3,508	-	-	(1,823)	-	-	-	-	1,820
Share-based payments credit	-	-	-	-	-	-	-	616	4,662	5,278
Excess deferred tax on share-based payments	-	-	-	-	-	-	-	-	3,342	3,342
Translation of foreign operations	-	-	-	-	-	(168)	-	-	-	(168)
Balance at 28 February 2019	11,631	606,086	100	7,803	(2,174)	-	(515,282)	19,064	143,174	270,402

Consolidated cash flow statement
for the year ended 28 February 2019

	<i>Note</i>	2019 £000	2018 £000
Cash flows from operating activities			
Profit for the year		47,459	36,000
<i>Adjustments for:</i>			
Share-based payments charge		5,278	3,269
Depreciation charges and amortisation		13,921	10,978
Loss on sale of fixed assets		24	-
Finance income		(1,320)	(774)
Finance expense		144	146
Tax expense		12,397	7,313
		77,903	56,932
Increase in inventories	<i>15</i>	(18,558)	(14,078)
Increase in trade and other receivables	<i>16</i>	(4,935)	(5,393)
Increase in trade and other payables	<i>18</i>	57,513	38,780
Cash generated from operations		111,923	76,241
Tax paid		(10,361)	(7,227)
Net cash generated from operating activities		101,562	69,014
Cash flows from investing activities			
Acquisition of intangible assets	<i>11</i>	(3,237)	(2,412)
Acquisition of property, plant and equipment	<i>12</i>	(43,630)	(43,972)
Proceeds from the sale of fixed assets		59	-
Finance income received		1,249	612
Net cash used in investing activities		(45,559)	(45,772)
Cash flows from financing activities			
Proceeds from the issue of ordinary shares		3,653	52,281
Share issue costs written off to share premium		-	(750)
Purchase of own shares by EBT		(1,833)	-
Finance expense paid		(144)	(146)
Repayment of borrowings		(2,382)	(2,382)
Net cash (used in)/generated from financing activities		(706)	49,003
Increase in cash and cash equivalents		55,297	72,245
Cash and cash equivalents at beginning of year		142,575	70,330
Cash and cash equivalents at end of year		197,872	142,575

Notes to the financial statements *(forming part of the financial statements)*

1 Accounting policies

General information

boohoo group 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 and changed its name from boohoo.com plc to boohoo group plc on 10 July 2018.

Basis of preparation

This condensed consolidated financial information for the year ended 28 February 2019 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 2019 and 28 February 2018 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 2019 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 2019 and 28 February 2018 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.

Standards, amendments and interpretations to standards that are effective and have been adopted by the group and/or company.

IFRS 9, “Financial instruments” (effective 1 January 2018). It has been determined that all existing effective hedging instruments continued to qualify for hedge accounting under IFRS 9. The adoption of the standard has therefore had no effect on the financial statements. Changes to the classification, impairment and measurement of financial assets and liabilities have been considered and it has been concluded these changes do not impact the group.

IFRS 15, “Revenue from contracts with customers” (effective 1 January 2018). Revenue is recognised in the financial statements when the customer receives the goods ordered. Revenue from the purchase of annual delivery services is spread over the period of the service. The adoption of the standard has therefore had no impact on existing revenue recognition policies.

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.

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 2019 is by business unit. This is based on the group’s management and internal reporting structure, i.e. boohoo including boohooMAN, PrettyLittleThing (“PLT”) and Nasty Gal.

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

	Year ended 28 February 2019			Total £000
	boohoo £000	PLT £000	Nasty Gal £000	
Revenue	434,565	374,445	47,910	856,920
Cost of sales	(204,474)	(162,687)	(20,765)	(387,926)
Gross profit	230,091	211,758	27,145	468,994
Distribution costs	(98,901)	(90,000)	(12,020)	(200,921)
Exceptional distribution costs	-	(6,162)	-	(6,162)
Segment result	131,190	115,596	15,125	261,911
Administrative expenses - other	-	-	-	(198,516)
Exceptional administrative expenses	-	-	-	(505)
Amortisation of acquired intangibles	-	-	-	(4,449)
Other income	-	-	-	239
Operating profit	-	-	-	58,680
Finance income	-	-	-	1,320
Finance expense	-	-	-	(144)
Profit before tax	-	-	-	59,856

	Year ended 28 February 2018			Total £000
	boohoo £000	PLT £000	Nasty Gal £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 - other	-	-	-	(132,623)
Amortisation of acquired intangibles	-	-	-	(4,449)
Other income	-	-	-	159
Operating profit	-	-	-	42,685
Finance income	-	-	-	774
Finance expense	-	-	-	(146)
Profit before tax	-	-	-	43,313

Revenue by geographic region

	2019	2018
	£000	£000
UK	488,199	355,614
Rest of Europe	115,124	66,281
USA	166,262	92,690
Rest of world	87,335	65,215
	856,920	579,800

3 Other income

	2019	2018
	£000	£000
Property rental income	239	159

4 Finance income and expense

	2019	2018
	£000	£000
Finance income: Bank interest received	1,320	774
Finance expense: Loan interest paid	(144)	(146)

5 Auditors' remuneration

	2019	2018
	£000	£000
Audit of these financial statements	10	10
<i>Disclosure below based on amounts receivable in respect of services to the group</i>		
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	138	120
Other services relating to taxation	96	104
Other advisory services	81	52
	325	286

6 Profit before tax

	2019	2018
	£000	£000
Profit before tax is stated after charging:		
Operating lease rentals for buildings	2,235	1,509
Equity-settled share-based payment charges	5,278	3,269
Exceptional items – warehouse relocation	6,667	-
Depreciation of property, plant and equipment	6,972	3,997
Amortisation of intangible assets	2,500	2,532
Amortisation of acquired intangible assets	4,449	4,449

The exceptional items relate to the additional costs of relocation of all the inventory held by PrettyLittleThing to a third-party managed warehouse in July 2018.

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.

	2019	2018
Weighted average shares in issue for basic earnings per share	1,154,130,568	1,138,722,751
Dilutive share options	20,304,294	27,108,839
Weighted average shares in issue for diluted earnings per share	1,174,434,862	1,165,831,590
Earnings (£000)	37,772	31,652
Basic earnings per share	3.27p	2.78p
Diluted earnings per share	3.22p	2.71p
Earnings (£000)	37,772	31,652
<i>Adjusting items:</i>		
Amortisation of intangible assets arising on acquisitions	4,449	4,449
Share-based payment charges	5,278	3,269
Exceptional items – warehouse relocation	6,667	-
Adjustment for tax	(3,050)	(1,408)
Adjustment for non-controlling interest	(2,335)	(352)
Adjusted earnings	48,781	37,610
Adjusted basic earnings per share	4.23p	3.30p
Adjusted diluted earnings per share	4.15p	3.23p

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.

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	
	2019	2018
Administration	1,303	955
Distribution	885	1,220
	2,188	2,175

The aggregate payroll costs of these persons were as follows:

	2019	2018
	£000	£000
Wages and salaries	62,505	49,510
Social security costs	6,419	5,553
Post-employment benefits	1,123	647
Equity-settled share-based payment charges	5,278	3,269
	75,325	58,979

9 Directors' and key management compensation

	2019	2018
	£000	£000
Short-term employee benefits	10,616	5,856
Post-employment benefits	217	131
Equity-settled share-based payment charges	907	454
	11,740	6,441

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

10 Taxation

	2019	2018
	£000	£000
Analysis of charge in year		
Current tax on income for the year	12,411	9,294
Adjustments in respect of prior year taxes	(54)	(1,323)
Deferred taxation	40	(658)
Tax on profit on ordinary activities	12,397	7,313

The total tax charge differs from the amount computed by applying the blended UK rate of 19.0% for the year (2018: 19.08%) to profit before tax as a result of the following:

Profit on ordinary activities before tax	59,856	43,313
Profit before tax multiplied by the standard rate of corporation tax of the UK of 19.0% (2018: 19.08%)	11,373	8,273
<i>Effects of:</i>		
Expenses not deductible for tax purposes	454	375
Adjustments in respect of prior year taxes	(54)	(1,323)
Overseas tax differentials	5	9
Depreciation in excess of/(less than) capital allowances	619	(21)
Tax on profit on ordinary activities	12,397	7,313

Tax recognised in the statement of changes in equity

Deferred tax credit on movement in tax base of share options	3,342	1,823
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No current tax was recognised in other comprehensive income (2018: £nil).

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 17% from 1 April 2020 were substantively enacted on 15 September 2016. The prior year tax adjustment is in respect of tax incentives for research and development expenditure.

11 Intangible assets

	Patents and licences £000	Trademarks £000	Customer lists £000	Computer software £000	Total £000
Cost					
Balance at 1 March 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
Additions	307	-	-	2,930	3,237
Disposals	-	-	-	(2,096)	(2,096)
Balance at 28 February 2019	626	25,070	5,826	11,878	43,400
Accumulated amortisation					
Balance at 1 March 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
Amortisation for year	74	2,507	1,942	2,426	6,949
Disposals	-	-	-	(2,096)	(2,096)
Balance at 28 February 2019	285	5,181	4,151	6,618	16,235
Net book value					
At 29 February 2017	130	24,903	5,559	4,854	35,446
At 28 February 2018	108	22,396	3,617	4,756	30,877
At 28 February 2019	341	19,889	1,675	5,260	27,165

Within the statement of comprehensive income, amortisation of acquired intangible assets (trademarks and customer lists) of £4,449,000 (2018: £4,449,000) is shown separately. The amount of amortisation included in distribution costs is £648,000 (2018: £629,000) and in administrative expenses is £1,852,000 (2018: £1,903,000).

12 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 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
Additions	3,896	36,775	1,575	115	1,269	43,630
Exchange differences	-	-	-	-	(73)	(73)
Disposals	(94)	(375)	(592)	(123)	-	(1,184)
Balance at 28 February 2019	6,025	71,844	4,520	431	40,176	122,996
Accumulated depreciation						
Balance at 1 March 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
Depreciation charge for the year	566	4,646	1,144	127	489	6,972
Exchange differences	-	-	-	-	(2)	(2)
Disposals	(94)	(364)	(592)	(51)	-	(1,101)
Balance at 28 February 2019	1,183	9,375	2,286	209	1,445	14,498
Net book value						
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
At 28 February 2019	4,842	62,469	2,234	222	38,731	108,498

The amounts of depreciation included in the statement of comprehensive income in distribution costs is £4,003,000 (2018: £2,440,000) and in administrative expenses is £2,969,000 (2018: £1,557,000). Depreciation of the automation equipment contained in the £37 million of additions to fixtures and fittings will commence in April 2019 when the assets are entered into service.

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
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%
boohoo France SAS	Marketing office	France	15, rue Bachaumont, Paris	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%

14 Deferred tax

Assets

	Depreciation in excess of capital allowances	Share-based payments	Total
	£000	£000	£000
Asset at 1 March 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
Recognised in statement of comprehensive income	(73)	32	(41)
Debit in equity	-	(2,404)	(2,404)
Asset at 28 February 2019	87	3,947	4,034

Liabilities

	Capital allowances in excess of depreciation £000	Business combinations £000	Total £000
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)
Recognised in statement of comprehensive income	(495)	494	(1)
Liability at 28 February 2019	(495)	(1,607)	(2,102)

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

	2019 £000	2018 £000
Finished goods	66,806	48,248

The value of inventories included within cost of sales for the year was £393,766,000 (2018: £270,032,000). An impairment provision of £5,181,000 (2018: £4,150,000) was charged to the statement of comprehensive income. There were no write-backs of prior period provisions during the year.

16 Trade and other receivables

	2019 £000	2018 £000
Trade receivables	14,201	13,381
Prepayments	5,126	3,658
Accrued income	386	460
Taxes and social security receivable	2,863	-
	22,576	17,499

Trade receivables represent amounts due from wholesale customers and advance payments to suppliers.

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

The provision for impairment of receivables is charged to administrative expenses in the statement of comprehensive income. The maturing profile of unsecured trade receivables and the provisions for impairment are as follows:

	2019 £000	2018 £000
Due within 30 days	7,943	7,411
Provision for impairment	-	(26)
Due in 31 to 90 days	7,972	6,304
Provision for impairment	(1,714)	(596)
Past due	295	339
Provision for impairment	(295)	(51)
Total amounts due and past due	16,210	14,054
Total provision for impairment	(2,009)	(673)
	14,201	13,381

17 Cash and cash equivalents

	2019 £000	2018 £000
At start of year	142,575	70,330
Net movement during year	55,350	72,638
Effect of exchange rates	(53)	(393)
At end of year	197,872	142,575

18 Trade and other payables

	2019 £000	2018 £000
Trade payables	33,930	34,203
Amounts owed to related party undertakings	-	31
Other creditors	1,730	1,084
Accruals	81,930	41,378
Provision for liabilities	18,912	9,021
Deferred income	8,453	5,556
Taxes and social security payable	9,396	5,397
	154,351	96,670

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

The provision for liabilities comprises:

	Dilapidations £000	Returns £000	Total £000
Provision at 1 March 2018	750	8,271	9,021
<i>Movements in provision charged/(credited) to income statement:</i>			
Release of provision from prior year	-	(8,271)	(8,271)
Increase in provision in current year	800	17,362	18,162
Provision at 28 February 2019	1,550	17,362	18,912

19 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.

	2019	2018
	£000	£000
Non-current liabilities		
Secured bank loans	4,764	7,146
Current liabilities		
Current portion of secured bank loans	2,382	2,382

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	2019	2018
				£000	£000
Secured bank loan	GB£	LIBOR + 0.95%	2022	7,146	9,528

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 £131.7 million (2018: £99.4 million), including all present and future freehold property, book and other debts, chattels and goodwill, both present and future.

Movement in financial liabilities

	2019	2018
	£000	£000
Opening balance	9,528	11,910
Interest accrued	144	146
Interest paid	(144)	(146)
Capital paid	(2,382)	(2,382)
Closing balance	7,146	9,528

20 Share capital and reserves

	2019	2018
	£000	£000
1,163,143,830 authorised and fully paid ordinary shares of 1p each (2018: 1,149,574,495)	11,631	11,496

During the year, a total of 13,574,314 shares were issued under the share incentive plans (2018: 3,451,205). On 27 February 2019, 31,223 (2018: 35,224) new ordinary shares were issued to non-executive directors as part of their annual remuneration.

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 (2018: £nil).

21 Capital commitments

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

	2019	2018
	£000	£000
Property, plant and equipment	-	27,999

22 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:

	2019	2018
	£000	£000
Within one year	1,966	1,028
Within two to five years	4,032	3,066
In more than five years	261	792
	6,259	4,886

23 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 2019, 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 2019 (FY19)

£'000	4m to 31 December				2m to 28 February				12m to 28 February			
	FY19	FY18	yoy %	yoy % CER	FY19	FY18	yoy %	yoy % CER	FY19	FY18	yoy %	yoy % CER
Total	328,231	228,215	44%	43%	133,375	88,710	50%	50%	856,920	579,800	48%	47%
Revenue by region												
UK	179,952	135,642	33%	33%	74,185	56,592	31%	31%	488,199	355,614	37%	37%
ROE	44,431	28,232	57%	54%	19,443	10,258	90%	86%	115,124	66,281	74%	67%
USA	70,427	39,618	78%	80%	27,664	13,475	105%	101%	166,262	92,690	79%	81%
ROW	33,421	24,723	35%	32%	12,083	8,385	44%	44%	87,335	65,215	34%	30%

£'000	3m to 31 May				3m to 31 August				6m to 31 August			
	FY19	FY18	yoy %	yoy % CER	FY19	FY18	yoy %	yoy % CER	FY19	FY18	yoy %	yoy % CER
Total	183,561	120,077	53%	52%	211,748	142,798	48%	47%	395,309	262,875	50%	49%
Revenue by region												
UK	110,738	74,532	49%	49%	123,319	88,849	39%	39%	234,057	163,381	43%	43%
ROE	22,257	12,220	82%	71%	28,993	15,571	86%	73%	51,250	27,791	84%	72%
USA	31,389	17,906	75%	78%	36,782	21,690	70%	71%	68,171	39,596	72%	74%
ROW	19,177	15,419	24%	22%	22,654	16,688	36%	31%	41,831	32,107	30%	27%

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%