

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 29 February 2020

	2020 £ million	2019 £ million	Change
Revenue	1,234.9	856.9	+44%
Gross profit	666.2	469.0	+42%
<i>Gross margin</i>	54.0%	54.7%	-70bps
Adjusted EBITDA ⁽¹⁾	126.5	84.5	+50%
<i>% of revenue</i>	10.2%	9.9%	+30bps
Adjusted EBIT ⁽²⁾	107.0	75.1	+42%
<i>% of revenue</i>	8.7%	8.8%	-10bps
Adjusted profit before tax ⁽³⁾	108.3	76.3	+42%
Profit before tax	92.2	59.9	+54%
Adjusted diluted earnings per share ⁽⁴⁾	5.88p	4.15p	+42%
Diluted earnings per share (2019 restated)	5.35p	3.71p	+44%
Net cash ⁽⁵⁾ at year end	240.7	190.7	+£50.0 million

COVID-19 – protecting our colleagues, customers and suppliers

At boohoo group plc, our top priority remains the health and wellbeing of our colleagues, our customers, and the many suppliers who work alongside us from around the world. From the outset of the pandemic, we have been closely following the government initiatives that support businesses and the public. We have been following all guidance regarding self-isolation, social distancing and personal hygiene in order to keep everyone in our boohoo family safe and well. The vast majority of our office-based teams are now working remotely. Our fantastic warehouse teams have adapted to completely new ways of working to ensure that they abide by all the social distancing procedures that we have in place. We are in constant contact with them and are working day and night to ensure that everyone is following the new systems, has what they need and, most importantly, that our teams are happy and healthy. Their ongoing safety and wellbeing is our number one priority.

As a group, we are standing alongside our suppliers, continuing to pay them promptly with industry-leading payment terms for all of their orders. We have also set up an emergency fund to help suppliers through this difficult period. Since boohoo was founded, we have invested in our supplier relationships and by continuing to support them through these short-term challenges, we will further secure these relationships for the long-term.

FY20 Financial Highlights

Group

- Revenue £1.235 billion, up 44% (44% CER⁽⁶⁾)
- Strong revenue growth across all geographies with UK up 39% and international up 51%. International revenue is now 45% of total, up from 43%
- Gross margin 54.0%, down 70bps as we have invested in growing our brands

- Adjusted EBITDA £126.5 million (2019: £84.5 million) with Adjusted EBITDA margin improving to 10.2% (2019: 9.9%)
- Robust balance sheet with net cash of £240.7 million (2019: £190.7 million). High cash generation with operating cash flow of £127.3 million (2019: £111.9 million)

boohoo

- Revenue £600.7 million, up 38% (39% CER)
- Gross margin 52.6%, down 30bps

PrettyLittleThing

- Revenue £516.3 million up 38% (37% CER)
- Gross margin 55.6%, down 100bps

Nasty Gal

- Revenue £98.8 million up 106% (109% CER)
- Gross margin 54.2%, down 250bps

FY20 Operational Highlights

Group

- Acquisition of the MissPap, Karen Millen and Coast brands, complementary additions to the group's scalable, multi-brand platform
- Distribution centre automation generating efficiencies and rapid order fulfilment

boohoo

- 8.9 million active customers⁽²⁾, up 28% on prior year
- Significant investments in customer service, with AI and new apps, improving the customer proposition

PrettyLittleThing

- 6.3 million active customers, up 26% on prior year
- High profile celebrity associations and social media driving traffic and international expansion, exceptionally well in the US and Europe

Nasty Gal

- 1.8 million active customers, up 88% on prior year
- Extensive product range now comprises over 16,000 lines, double that of last year

Outlook

The group saw a strong end to the financial year ended 29 February 2020 and in the first two weeks of FY21 this trading momentum was maintained. Since the middle of March, trading has been mixed, as a result of the impact of the COVID-19 pandemic, initially with a marked decrease in year-on-year growth. Performance has improved in more recent weeks and we are now seeing improved year-on-year growth of group sales during April. We remain cautious regarding our outlook, as a result of the uncertainty caused by the COVID-19 pandemic.

Given the uncertainty generated by the continually-evolving COVID-19 pandemic, it is not appropriate to provide guidance for the financial year ending 28 February 2021 at this stage. The group has taken steps to understand, as far as possible, the risks and impact that the pandemic may potentially have on its operations, analysing a range of scenarios, factoring in a downturn in demand and the possibility of warehouse closures. Although it is not possible to predict precisely the impact from COVID-19, we have ensured that we have stress-tested our liquidity under these scenarios.

From this, we are comfortable that the group has sufficient financial headroom, benefitting from its largely variable cost base, low cash burn rate and strong balance sheet with £241 million of net cash at year end.

John Lyttle, CEO, commented:

“Whilst recent events have understandably overshadowed what has been a great year for boohoo, they have also highlighted its key strengths. Our business is founded on our ability to be agile and flexible and it is at times like this when these abilities are tested, and I am proud of how our colleagues and business partners from around the world have responded to the challenges posed by this pandemic. Although there is near-term uncertainty in the markets that we operate in, the group is underpinned by its incredibly strong balance sheet and is well-placed to leverage its scalable multi-brand platform and to continue to disrupt fashion markets around the world.”

Investor and analyst presentation

An audiocast for analysts will be held today commencing 9.30am (UK time). To access please click the link below:

<https://webcasting.buchanan.uk.com/broadcast/5e98134e31da814c9fc69ca0>

A replay will subsequently be available on the boohooplc.com website 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 exceptional items.

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

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

(4) Adjusted diluted earnings per share is calculated as diluted earnings per share, adding back amortisation of acquired intangible assets, share-based payment charges, exceptional items and adjusting to 34% of the non-controlling interest as in previous years (see note 1 of the accounts).

(5) Net cash is cash less bank 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 group plc**“Leading the fashion eCommerce market”**

Founded in Manchester in 2006, boohoo is an inclusive and innovative brand targeting young, value-orientated customers. For 13 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. In March 2019 the group acquired the MissPap brand and in

August 2019, the Karen Millen and Coast brands, all complementary to the group's scalable multi-brand platform. United by a shared customer value proposition, our brands design, source, market and sell great quality clothes, shoes and accessories at unbeatable prices. These investment propositions have helped us grow from a single brand, into a major multi-brand online retailer, leading the fashion eCommerce market for 16 to 40-year-olds around the world. As at 29 February 2020, the boohoo group had around 14 million active customers across all its brands around the world.

Cautionary Statement

Certain statements included or incorporated by reference within this announcement may constitute "forward-looking statements" in respect of the 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. No responsibility or obligation is accepted to update or revise any forward-looking statement resulting from new information, future events or otherwise. Nothing in this announcement should be construed as a profit forecast. This announcement 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 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.

Performance during the year

Review of the business

Overview

	2020 £000	2019 £000	Change
Revenue	1,234,876	856,920	+44%
Gross profit	666,236	468,994	+42%
<i>Gross margin</i>	54.0%	54.7%	-70bps
EBITDA	115,546	72,601	+59%
<i>% of revenue</i>	9.4%	8.5%	+90bps
Profit before tax	92,222	59,856	+54%
Diluted earnings per share (2019 restated)	5.35p	3.71p	+44%
Net cash ⁽¹⁾ at year end	240,684	190,726	+£50.0m
Underlying:			
Adjusted EBITDA ⁽²⁾	126,503	84,546	+50%
<i>% of revenue</i>	10.2%	9.9%	+30bps
Adjusted EBIT ⁽³⁾	106,973	75,074	+42%
<i>% of revenue</i>	8.7%	8.8%	-10bps
Adjusted profit before tax ⁽⁴⁾	108,299	76,250	+42%
Adjusted diluted earnings per share ⁽⁵⁾	5.88p	4.15p	+42%

(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 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, exceptional items and adjusting to 34% of the non-controlling interest as in previous years (see note 1 of the accounts).

Group revenue for the year increased by 44% (44% CER) to £1.235 billion (2019: £856.9 million). Revenue growth across all territories and brands was strong.

Adjusted EBITDA was £126.5 million (2019: £84.5 million), an increase of 50% on the previous year, with efficiency improvements and effective marketing across the group leading to an adjusted EBITDA margin of 10.2% (2019: 9.9%). Profit before tax was £92.2 million (2019: £59.9 million), an increase of 54%. Adjusted diluted earnings per share was 5.88p, up 42% on the prior year (restated). Diluted earnings per share rose to 5.35p, an increase of 44% (2019 restated: 3.71p).

The group has continued to gain market share in key focus territories, with impressive revenue growth across our brands, driven by a combination of a great customer proposition, effective marketing strategies and strong social media presence. Through our scalable, multi-brand platform, we have taken on three additional brands – MissPap, Karen Millen and Coast – which have increased the group’s market coverage and potential. Investments in technology and continuous systems improvements have delivered an enhanced customer experience and cost efficiencies.

Cash generation was strong, with operating cash flow of £127.3 million (2019: £111.9 million) and free cash flow up 26% to £81.7 million. Capital expenditure was £45.6 million including £19.4 million spent on the acquisition of the three new brands. Our net cash balance (cash less bank borrowings) at the period end increased to £240.7 million (2019: £190.7 million).

Distribution centres

The group operates through two distribution centres: the Burnley facility services all the group brands except PrettyLittleThing; and the Sheffield facility, which is managed by a third-party, services PrettyLittleThing. Automation at the Burnley warehouse went live in April 2019 and has been instrumental in improving and increasing efficiency throughout, enabling the facility to handle the rapid growth of the group and maintain high customer service levels. Phase 2 of the automation at Burnley is planned to commence in the first half of the 2021 financial year, further boosting the peak load capacity to ensure we continue our great customer service. Both facilities give us the scale and capacity required in the medium term as the group develops.

Technology

As we recently invested in a team focussed on expanding our in-house app development capabilities, we have been able to introduce improved app functionality and user experience at a faster pace, including adding apps for the three new brands acquired during the year. A greater percentage of our customers now use the apps for the entire browsing and purchasing journey, enabling us to provide them with more relevant and targeted marketing and an optimised user experience.

boohoo (including boohooMAN)

Performance

Revenue for the year increased to £600.7 million, up 38% on the previous year, with continued growth in all our key focus markets.

Growth in both the UK and international markets has been strong, driving market share gains across key geographies. Gross margin decreased slightly by 30bps to 52.6%, as we optimised the customer proposition in each territory.

Product

Our womenswear product range has continued to be highly successful with growth in core product lines and in our comprehensive size offerings. In addition, new product introductions are delivering growth and satisfying consumer demand. In June we introduced our first dedicated recycled women’s clothing range, which is part of our drive for a more sustainable future in fashion.

Marketing

Our marketing strategy is constantly reviewed and re-aligned in response to data analytics that monitor its effectiveness. We continue to focus on a balanced mix of social media influencers, celebrity endorsements, digital acquisition and retention, PR and above-the-line brand campaigns. International marketing is supported by in-country experts to ensure we speak to customers with effective, localised campaigns and content.

Our worldwide social media audience now includes over seven million Instagram and three million Facebook followers. Throughout the year, we have worked with a host of local brand ambassadors as well as Jordyn Woods and four Victoria’s Secret models as global ambassadors. All collections have featured an inspiring range of day-to-evening looks, emphasising the glamour of the boohoo brand.

Customer interaction

boohoo and boohooMAN have a number of country-specific websites, several of which are translated into local languages and further site launches and translated foreign language sites are planned. We have invested in visual AI, popular payment methods and virtual assistants to offer a more satisfying customer experience. Our focus on excellent customer service is supported by an “excellent”, 4.5 star, rating on the Trustpilot consumer review site.

PrettyLittleThing

Performance

PrettyLittleThing (“PLT”) achieved strong revenue growth of 38% over the previous year, reaching £516.3 million. Growth across all territories was strong, with the overseas markets performing exceptionally well. Gross margin has decreased to 55.6% (2019: 56.6%), as we optimise growth and refine the customer proposition.

Product

PLT brings the latest and most relevant celebrity looks at affordable prices to our customers, with a choice of over 26,500 styles and new items available daily. Our product range continued to expand during the year with further strong growth in the “shape” ranges including Petite, Curve and Plus. We have also further expanded our range, helping us to become established as a lifestyle brand for our customers. We are also growing our range of accessories and beauty offering. During the year, we brought the latest celebrity looks to customers through collaborations with Little Mix, Ashley Graham, Ashanti and through PLT’s debut at New York Fashion Week, including a collection with US rap star Saweetie.

Marketing

We have extended our social media reach by increasing the number of social media influencers, combined with celebrity campaigns and collaborations. Using customer-created content and working in collaboration with our influencer partners, we have continued to be one of the fastest growing fashion brands on the channel. We have 12.3 million Instagram followers and 2.2 million followers on Facebook. We also continue to develop our exposure to new and emerging social media platforms.

Customer interaction

We support a number of country-specific websites. For the UK market, we offer a wide range of free return options and in international markets, we continue to offer a range of services to ensure a seamless customer experience.

Nasty Gal

Performance

Revenue growth across all territories has been exceptionally strong, with an overall 106% increase to £98.8 million. USA revenue continues to grow strongly and remains the brand’s largest territory. In the UK and internationally, growth has continued at an exceptional pace, with the brand gaining recognition and attracting a far-reaching customer base. Gross margin reduced to 54.2% (2019: 56.7%), which is in line with the re-alignment of the customer proposition.

Product

Nasty Gal’s exciting product range now encompasses over 16,000 styles, doubling in size over the year. Other key areas of growth include recycled ranges and further expansions of Nasty Gal Vintage, a great collection of sustainably-sourced, true reworked vintage product, drawing on the brand’s heritage, unique DNA and a commitment by the group in terms of sustainability. Comprehensive size ranges have also helped support the inclusiveness of the brand and extend its appeal to women globally.

Marketing

The marketing strategy has focussed on building brand awareness, working with an increasing number of influencers to engage customer interest and promote brand loyalty. This summer we launched an iconic collection edited by Emily Ratajowski (EmRata) and throughout the year have worked with high profile fashion collaborators

Claire Rose Cliteur, Emma Louise Connelly and Josefine HJ. The autumn saw the biggest collaboration the brand has ever worked on, partnering with supermodel Cara Delavigne on our holiday collection.

On social media Nasty Gal has 4.4 million followers on Instagram and 1.3 million Facebook likes.

MissPap, Karen Millen and Coast

Performance

We are very encouraged by the progress of our newly-acquired brands this year, all of which are resurging under new ownership and direction as online-only brands, with their great heritage intact. Revenue from the brands amounted to £19 million for the year, with MissPap revenue commencing in April 2019 and Karen Millen and Coast in October 2019. Gross margin was 51.1%.

Our investment in the new brands has incurred some set-up and initial running costs in the first year, which is consistent with our philosophy to invest in our brands in order to unlock their long-term growth potential. The new brands are operated through our multi-brand platform, which provides immediate efficiency in the key operational business functions, such as logistics, IT, e-commerce and administration. The new brands provide the group with a wider coverage in demographic, price points and age segments and are highly complementary to our existing portfolio.

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

	2020 £000	2019 £000	Change	Change CER
boohoo	600,733	434,565	+38%	+39%
PrettyLittleThing	516,334	374,445	+38%	+37%
Nasty Gal	98,833	47,910	+106%	+109%
Other	18,976	-	+100%	+100%
	1,234,876	856,920	+44%	+44%

Group revenue by geographical market

	2020 £000	2019 £000	Change	Change CER
UK	679,275	488,199	+39%	+39%
Rest of Europe	188,424	115,124	+64%	+62%
USA	263,622	166,262	+59%	+61%
Rest of world	103,555	87,335	+19%	+19%
	1,234,876	856,920	+44%	+44%

KPIs

Group

	2020	2019	Change
Active customers ⁽¹⁾	13.9 million	10.6 million	+31%
Number of orders	42.2 million	30.6 million	+38%
Order frequency ⁽²⁾	3.04	2.88	+5%
Conversion rate to sale ⁽³⁾	4.26%	4.25%	+1bps
Average order value ⁽⁴⁾	£43.50	£41.20	6%
Number of items per basket	3.06	2.89	6%

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

(2) Defined as number of website orders in last 12 months divided by number of active customers

(3) Defined as the percentage of website orders taken to internet sessions

(4) Calculated as gross sales including sales tax divided by the number of orders

Consolidated income statement

	2020 £000	2019 £000	Change
Revenue	1,234,876	856,920	+44%
Cost of sales	(568,640)	(387,926)	+47%
Gross profit	666,236	468,994	+42%
<i>Gross margin</i>	<i>54.0%</i>	54.7%	-70bps
Operating costs	(539,971)	(384,687)	
Other income	238	239	
Adjusted EBITDA	126,503	84,546	+50%
<i>Adjusted EBITDA margin %</i>	<i>10.2%</i>	9.9%	+30bps
Depreciation	(16,582)	(6,972)	
Amortisation of other intangible assets	(2,948)	(2,500)	
Adjusted EBIT	106,973	75,074	+42%
<i>Adjusted EBIT margin %</i>	<i>8.7%</i>	8.8%	-10bps
<i>Adjusting items:</i>			
Amortisation of acquired intangible assets	(5,120)	(4,449)	
Equity-settled share-based payment charges	(10,957)	(5,278)	
Exceptional items – warehouse relocation	-	(6,667)	
Operating profit	90,896	58,680	+55%
Finance income	1,716	1,320	
Finance expense	(390)	(144)	
Profit before tax	92,222	59,856	+54%
Tax	(19,339)	(12,397)	
Profit after tax for the year	72,883	47,459	+54%
Diluted earnings per share (2019 restated)	5.35p	3.71p	+44%
Adjusted profit after tax for the year	85,987	60,803	+41%
Amortisation of acquired intangible assets	(5,120)	(4,449)	
Share-based payment charges	(10,957)	(5,278)	
Exceptional items – warehouse relocation	-	(6,667)	
Adjustment for tax	2,973	3,050	
Profit after tax for the year	72,883	47,459	
Adjusted profit for the period attributable to shareholders of the company	69,939	48,781	+43%
Adjusted diluted earnings per share	5.88p	4.15p	+42%

Operating costs comprise distribution costs and administrative expenses excluding depreciation and amortisation and have decreased by 120 bps to 43.7% of revenue, with efficiency improvements in distribution costs more than offsetting increases in infrastructure costs for future business expansion, including those for the three brands acquired during the year.

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 50% from £84.5 million to £126.5 million and, as a percentage of revenue, increased from 9.9% to 10.2%.

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 new brands (being their trademarks and customer lists), share-based payment charges and exceptional items.

Taxation

The effective rate of tax for the year was 21.0% (2019: 20.7%), which is higher (2019: higher) than the blended UK statutory rate of tax for the year of 19.0% (2019: 19.0%), due to expenditure not deductible for tax purposes, being principally depreciation on buildings and fit-out.

Consolidated statement of financial position

	2020	2019
	£000	£000
Intangible assets	42,255	27,165
Property, plant and equipment	119,216	108,498
Right-of-use assets	14,591	-
Financial assets	4,467	3,756
Deferred tax asset	5,980	4,034
Non-current assets	186,509	143,453
Working capital	(63,875)	(64,969)
Lease liabilities	(16,153)	-
Net financial (liabilities)/assets	(9,001)	4,047
Cash and cash equivalents	245,448	197,872
Interest-bearing loans and borrowings	(4,764)	(7,146)
Deferred tax liability	(3,593)	(2,102)
Net current tax liability	(6,636)	(753)
Net assets	327,935	270,402

The increase in intangible assets is due to the purchase of the new brands. The right-of-use-assets are the capitalised value of property leases in accordance with the new accounting standard, IFRS 16. The lease liability is the discounted value of future lease payments. Working capital has increased marginally as we are paying inventory suppliers to industry-leading 14-day terms.

Intangible and fixed asset additions

	2020	2019
	£000	£000
Purchased intangible and fixed assets		
<i>Intangible assets</i>		
Trademarks and customer lists	19,370	-
Patents and licences	-	307
Software	3,788	2,930
	23,158	3,237
<i>Tangible fixed assets</i>		
Distribution centres	15,391	36,678
Offices, office equipment, fixtures and fit-outs	6,576	6,837
Motor vehicles	437	115
	22,404	43,630
Total intangible and fixed asset additions	45,562	46,867

Liquidity and financial resources

Operating cash flow was £127.3 million compared to £111.9 million in the previous year and free cash flow was £81.7 million compared to £65.1 million in the previous financial year. We have adopted industry-leading 14-day payment terms with our key UK product suppliers. Capital expenditure and intangible asset purchases was £45.6 million, which includes a £14.9 million investment in our distribution centres to support projected growth in the business. The closing cash balance for the group was £245.4 million and the net cash balance (cash less bank borrowings), £240.7 million.

Consolidated cash flow statement

	2020	2019
	£000	£000
Profit for the year	72,883	47,459
Depreciation charges and amortisation	24,650	13,921
Share-based payments charge	10,957	5,278
Loss on sale of fixed assets	294	24
Tax expense	19,339	12,397
Finance income	(1,716)	(1,320)
Finance expense	390	144
Increase in inventories	(32,301)	(18,558)
Increase in trade and other receivables	(9,434)	(4,935)
Increase in trade and other payables	42,219	57,513
Operating cash flow	127,281	111,923
Capital expenditure and intangible asset purchases	(45,562)	(46,867)
Free cash flow	81,719	65,056
Net proceeds from the issue of ordinary shares	2,665	3,653
Purchase of own shares by EBT	(14,906)	(1,833)
Proceeds from the sale of fixed assets	-	59
Finance income received	1,807	1,249
Finance expense paid	(286)	(144)
Dividend paid to non-controlling interests	(3,400)	-
Lease payments	(6,031)	-
Tax paid	(11,610)	(10,361)
Repayment of borrowings	(2,382)	(2,382)
Net cash flow	47,576	55,297
Cash and cash equivalents at beginning of year	197,872	142,575
Cash and cash equivalents at end of year	245,448	197,872

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, apart from times of pandemic, the market is resilient to external macroeconomic factors.

As always, our focus is to maintain an outstanding customer proposition, with the latest fashion at great prices, combined with excellent customer service. To this end, we have a plan of continuous investment in our systems, infrastructure 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 scalable, multi-brand platform provides the basis for expansion of the group through strategic acquisitions. We are also committed to continuing to drive improvements across our environmental responsibilities and are constantly exploring ways to accelerate our sustainability journey.

Consolidated statement of comprehensive income

for the year ended 29 February 2020

	Note	2020 £000	2019 (restated) £000
Revenue	2	1,234,876	856,920
Cost of sales		(568,640)	(387,926)
Gross profit		666,236	468,994
Distribution costs		(278,252)	(207,083)
<i>Exceptional distribution costs</i>		-	(6,162)
<i>Other distribution costs</i>		(278,252)	(200,921)
Administrative expenses		(297,326)	(203,470)
<i>Exceptional administrative expenses</i>		-	(505)
<i>Amortisation of acquired intangibles</i>		(5,120)	(4,449)
<i>Other administrative expenses</i>		(292,206)	(198,516)
Other income	3	238	239
Operating profit		90,896	58,680
Finance income	4	1,716	1,320
Finance expense		(390)	(144)
Profit before tax	6	92,222	59,856
Taxation	10	(19,339)	(12,397)
Profit for the year		72,883	47,459
Profit for the year attributable to:			
Owners of the parent company		63,669	43,584
Non-controlling interests		9,214	3,875
		72,883	47,459
Total other comprehensive income/(expense) for the year			
Impact of adoption of IFRS 16		(532)	-
Loss/(gain) reclassified to profit and loss during the year		1,280	(2,337)
Fair value (loss)/gain on cash flow hedges during the year		(13,617)	2,229
Total comprehensive income for the year		60,014	47,351
Total comprehensive income attributable to:			
Owners of the parent company		50,800	43,476
Non-controlling interests		9,214	3,875
		60,014	47,351
Earnings per share	7		
Basic		5.48p	3.78p
Diluted		5.35p	3.71p

The 2019 figures have been restated to adjust the non-controlling Interest in PrettyLittleThing.com Limited from £9,687,000 to £3,875,000 and restate the basic earnings per share from 3.27p to 3.78p and diluted earnings per share from 3.22p to 3.71p (see note 1).

Consolidated statement of financial position
at 29 February 2020

	Note	2020 £000	2019 (restated) £000
Assets			
Non-current assets			
Intangible assets	11	42,255	27,165
Property, plant and equipment	12	119,216	108,498
Right-of-use assets	13	14,591	-
Financial assets		4,467	3,756
Deferred tax	15	5,980	4,034
		186,509	143,453
Current assets			
Inventories	16	99,107	66,806
Trade and other receivables	17	31,828	22,576
Financial assets		6,599	5,883
Current tax receivable		-	3,186
Cash and cash equivalents	18	245,448	197,872
Total current assets		382,982	296,323
Total assets		569,491	439,776
Liabilities			
Current liabilities			
Trade and other payables	19	(194,810)	(154,351)
Interest-bearing loans and borrowings	20	(2,382)	(2,382)
Lease liabilities	21	(5,400)	-
Financial liabilities		(8,678)	(1,421)
Current tax liability		(6,636)	(3,939)
Total current liabilities		(217,906)	(162,093)
Non-current liabilities			
Interest-bearing loans and borrowings	20	(2,382)	(4,764)
Lease liabilities	21	(10,753)	-
Financial liabilities		(6,922)	(415)
Deferred tax	15	(3,593)	(2,102)
Total liabilities		(241,556)	(169,374)
Net assets		327,935	270,402
Equity			
Share capital	22	11,680	11,631
Share premium		608,447	606,086
Capital redemption reserve		100	100
Hedging reserve		(4,534)	7,803
EBT reserve		(17,075)	(2,174)
Translation reserve		11	-
Reconstruction reserve		(515,282)	(515,282)
Non-controlling interest		17,262	8,381
Retained earnings		227,326	153,857
Total equity		327,935	270,402

The 2019 figures have been restated to adjust the non-controlling interest in PrettyLittleThing.com Limited from £19,064,000 to £8,381,000 and increase retained earnings by the same (see note 1).

Consolidated statement of changes in equity (restated)

	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 2018	11,496	602,578	100	7,911	(351)	168	(515,282)	4,018	102,141	212,779
Profit for the year	-	-	-	-	-	-	-	3,875	43,584	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)	-	-	-	3,875	43,584	47,351
Issue of shares	135	3,508	-	-	(1,823)	-	-	-	-	1,820
Share-based payments credit	-	-	-	-	-	-	-	246	5,032	5,278
Excess deferred tax on share-based payments	-	-	-	-	-	-	-	-	3,342	3,342
Non-controlling interests' increase in share of net assets	-	-	-	-	-	-	-	242	(242)	-
Translation of foreign operations	-	-	-	-	-	(168)	-	-	-	(168)
Balance at 28 February 2019	11,631	606,086	100	7,803	(2,174)	-	(515,282)	8,381	153,857	270,402
Impact of adoption of IFRS 16	-	-	-	-	-	-	-	(18)	(514)	(532)
Profit for the year	-	-	-	-	-	-	-	9,214	63,669	72,883
<i>Other comprehensive income/(expense):</i>										
Loss reclassified to profit and loss in revenue	-	-	-	1,280	-	-	-	-	-	1,280
Fair value loss on cash flow hedges during the year	-	-	-	(13,617)	-	-	-	-	-	(13,617)
Total comprehensive income for the year	-	-	-	(12,337)	-	-	-	9,196	63,155	60,014
Issue of shares	49	2,361	-	-	(14,901)	-	-	250	-	(12,241)
Share-based payments credit	-	-	-	-	-	-	-	512	10,445	10,957
Excess deferred tax on share-based payments	-	-	-	-	-	-	-	20	2,172	2,192
Translation of foreign operations	-	-	-	-	-	11	-	-	-	11
Non-controlling interests' increase in share of net assets	-	-	-	-	-	-	-	2,303	(2,303)	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(3,400)	-	(3,400)
Balance at 29 February 2020	11,680	608,447	100	(4,534)	(17,075)	11	(515,282)	17,262	227,326	327,935

The 2019 figures have been restated to adjust the non-controlling interest in PrettyLittleThing.com Limited of £8,761,000 as at 28 February 2018 to £4,018,000 and the NCI share of the profit for the year to 28 February 2019 from £9,687,000 to £3,875,000. In addition, there is an adjustment for the share of net assets attributable to the non-controlling interest increasing each year (see note 1).

Consolidated cash flow statement
for the year ended 29 February 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Profit for the year		72,883	47,459
<i>Adjustments for:</i>			
Share-based payments charge		10,957	5,278
Depreciation charges and amortisation		24,650	13,921
Loss on sale of fixed assets		294	24
Finance income		(1,716)	(1,320)
Finance expense		390	144
Tax expense		19,339	12,397
		126,797	77,903
Increase in inventories	16	(32,301)	(18,558)
Increase in trade and other receivables	17	(9,434)	(4,935)
Increase in trade and other payables	19	42,219	57,513
Cash generated from operations		127,281	111,923
Tax paid		(11,610)	(10,361)
Net cash generated from operating activities		115,671	101,562
Cash flows from investing activities			
Acquisition of intangible assets	11	(23,158)	(3,237)
Acquisition of property, plant and equipment	12	(22,404)	(43,630)
Proceeds from the sale of fixed assets		-	59
Finance income received		1,807	1,249
Net cash used in investing activities		(43,755)	(45,559)
Cash flows from financing activities			
Proceeds from the issue of ordinary shares		2,665	3,653
Purchase of own shares by EBT		(14,906)	(1,833)
Finance expense paid		(286)	(144)
Dividend paid to non-controlling interests		(3,400)	-
Lease payments		(6,031)	-
Repayment of borrowings		(2,382)	(2,382)
Net cash used in financing activities		(24,340)	(706)
Increase in cash and cash equivalents		47,576	55,297
Cash and cash equivalents at beginning of year		197,872	142,575
Cash and cash equivalents at end of year		245,448	197,872

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.

Basis of preparation

This condensed consolidated financial information for the year ended 29 February 2020 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 statements have been approved on the assumption that the group and company remain a going concern. The impact of the COVID-19 crisis on the future prospects of the group is not quantifiable at the date of this report, as the length of restrictions and impact on consumers globally is outside of what any business is able to predict. However, we have modelled a scenario with a substantial reduction in revenue from April 2020 until June 2020, with some recovery from July 2020 to September 2020. We have also modelled a shut-down of the business until February 2021, as an unlikely, but worst possible, case. Both scenarios show the group and company has sufficient funds to continue trading solvently, even before obtaining any potential government loans.

The financial information contained in this preliminary announcement for the years ended 29 February 2020 and 28 February 2019 does not comprise the group’s statutory financial statements within the meaning of Companies (Jersey) Law 1991. Statutory accounts for the year ended 29 February 2020 will be filed with the Jersey Companies Registry in due course. The auditors’ report on the statutory accounts for each of the years ended 29 February 2020 and 28 February 2019 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.

Change of accounting policy, non-controlling interest - restatement of 2019 financial statements

Following a review of the accounting treatment of the non-controlling interest of shareholders in PrettyLittleThing.com Limited [PLT], it has been determined that the restrictions imposed by the Shareholders’ Agreement require the proportion of the non-controlling interests’ share of the profits of PLT to accrue in accordance with certain terms of the agreement and not as 34% as previously stated. The accumulated profit attributable to non-controlling interests of £8,761,000 as at 28 February 2018 has been adjusted to £4,018,000 and the share of profits for the year to 28 February 2019 from £9,687,000 to £3,875,000 and the difference added to retained earnings. The share of profits recognised by the non-controlling interest increases each year by 20% of 34% of the earnings of PLT from 20% of 34% to 100% of 34% over the five-year period of the agreement, as does the non-controlling interests’ share of the net assets.

Basic earnings per share of boohoo group plc in 2019 has changed from 3.27p to 3.78p and diluted earnings per share from 3.22p to 3.71p. The adjusted diluted earnings per share is calculated on the same basis as in previous years at 34% of the net assets and profits, reflecting the fact that the reported non-controlling interest will accumulate to 34% at the end of the five-year period of the Shareholders’ Agreement in February 2022.

New and amended standards adopted by the group

The following new standards, and amendments to standards, have been adopted by the group for the first time for the financial year beginning on 1 March 2019:

- IFRS 16, ‘Leases’;
- IFRIC 23, Uncertainty over income tax treatment;
- Annual improvements IFRS 3 ‘Business Combinations’, IAS 12 ‘Income taxes’, IAS 23 ‘Borrowing costs’;
- Amendments to IFRS 9 ‘Financial Instruments’ – Prepayment features and negative compensation; and
- Amendments to IAS 39 and IFRS 7 interest rate benchmark reform.

Other than IFRS16, ‘Leases’, the adoption of these standards did not have a material impact on the Group Consolidated Financial Statements.

The group has adopted IFRS 16, "Leases", effective for accounting periods commencing 1 January 2019 and applied the modified retrospective approach and the exemption for low value or short leases. Comparatives have not been restated and the cumulative impact of adoption has been recognised as a decrease in net assets and a corresponding decrease in retained earnings as at 1 March 2019. The right-of-use asset has been measured at the carrying amount as if the standard had been applied since the commencement of the lease, discounted using the incremental borrowing rate of 1.8% at transition. The present value of the lease liabilities is discounted at the group's incremental borrowing cost.

The lease liability brought on to the balance sheet at transition is £18.5 million and the right of use asset £16.1 million. The overall decrease in retained earnings is £0.5 million. The impact on the income statement had no material effect on profit before tax for the year to 29 February 2020, with adjusted EBITDA increasing by £4.9 million, depreciation increasing by £4.7 million and finance costs increasing by £0.2 million. Within the cash flow statement, there are changes in the classification of cash flows, with £2.6 million of lease payments classified as financing cash flows and £0.1 million as interest payments.

The impact on the opening balance sheet is as follows:	1 March 2019 £000
Non-current assets	
Right-of-use assets – property, plant & equipment	16,116
Deferred income tax asset	109
Current liabilities	
Financial liabilities – lease liabilities	(4,933)
Accruals	1,791
Non-current liabilities	
Financial liabilities – lease liabilities	(13,615)
Total decrease in retained earnings at 1 March 2019	(532)

Reconciliation of the lease liabilities at 1 March 2019 to the operating lease commitments at 28 February 2019:

	£000
Operating lease commitments disclosed at 28 February 2019	6,259
Third-party warehouse services contract - revised treatment as operating lease	12,800
Restated operating lease commitments at 28 February 2019	19,059
Discounted using the lessee's incremental borrowing rate at the date of initial application	(511)
Additional lease liability recognised as at 1 March 2019	18,548
Analysed as:	
Current lease liabilities	4,933
Non-current lease liabilities	13,615

From 1 March 2019 the group's lease policy is summarised as follows:

A right-of-use asset and lease liability is recognised at the lease commencement date. The right-of-use asset is initially recognised at cost, comprising the initial amount of the lease liability plus any initial direct costs incurred, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term. The lease liability is initially measured as the present value of the lease payments at the commencement date, discounted using the incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or a rate or a change in the group's assessment of whether it will exercise an extension or termination option. When the lease liability is re-measured, a corresponding adjustment is made to the right-of-use asset.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the group and/or company.

The following standards have been published and are mandatory for accounting periods beginning after 1 March 2020 but have not been early adopted by the group or company and could have an impact on the group and company financial statements:

- Amendments to IFRS 3, 'Business combinations', definition of a business;
- Amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors' definition of material

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 2020 is by business unit. This is based on the group's management and internal reporting structure, i.e. boohoo including boohooMAN, PrettyLittleThing ("PLT"), Nasty Gal and other brands.

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

	Year ended 29 February 2020				
	boohoo £000	PrettyLittleThing £000	Nasty Gal £000	Other £000	Total £000
Revenue	600,733	516,334	98,833	18,976	1,234,876
Cost of sales	(284,937)	(229,122)	(45,301)	(9,280)	(568,640)
Gross profit	315,796	287,212	53,532	9,696	666,236
Distribution costs	(127,322)	(127,752)	(20,532)	(2,646)	(278,252)
Segment result	188,474	159,460	33,000	7,050	387,984
Administrative expenses - other	-	-	-	-	(292,206)
Amortisation of acquired intangibles	-	-	-	-	(5,120)
Other income	-	-	-	-	238
Operating profit	-	-	-	-	90,896
Finance income	-	-	-	-	1,716
Finance expense	-	-	-	-	(390)
Profit before tax	-	-	-	-	92,222

	Year ended 28 February 2019				
	boohoo £000	PrettyLittleThing £000	Nasty Gal £000	Other £000	Total £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

Revenue by geographic region

	2020	2019
	£000	£000
UK	679,275	488,199
Rest of Europe	188,424	115,124
USA	263,622	166,262
Rest of world	103,555	87,335
	1,234,876	856,920

3 Other income

	2020	2019
	£000	£000
Property rental income	238	239

4 Finance income and expense

	2020	2019
	£000	£000
Finance income: Bank interest received	1,716	1,320
Finance expense: Loan interest paid	(128)	(144)
Finance expense: IFRS 16 lease interest	(262)	-

5 Auditors' remuneration

	2020	2019
	£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	225	138
Other services relating to taxation	141	96
Other advisory services	13	81
	389	325

6 Profit before tax

	2020	2019
	£000	£000
Profit before tax is stated after charging:		
Short-term operating lease rentals for buildings	176	2,235
Equity-settled share-based payment charges	10,957	5,278
Acquisition and restructuring costs	1,261	-
Exceptional items – warehouse relocation	-	6,667
Depreciation of property, plant and equipment	11,483	6,972
Depreciation of right of use assets	5,099	-
Amortisation of intangible assets	2,948	2,500
Amortisation of acquired intangible assets	5,120	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.

	2020	2019 (restated)
Weighted average shares in issue for basic earnings per share	1,161,374,887	1,154,130,568
Dilutive share options	27,741,137	20,304,294
Weighted average shares in issue for diluted earnings per share	1,189,116,024	1,174,434,862
Earnings (£000)	63,669	43,584
Basic earnings per share	5.48p	3.78p
Diluted earnings per share	5.35p	3.71p
Earnings (£000)	63,669	43,584
<i>Adjusting items:</i>		
Amortisation of intangible assets arising on acquisitions	5,120	4,449
Share-based payment charges	10,957	5,278
Exceptional items – warehouse relocation	-	6,667
Adjustment for tax	(2,973)	(3,050)
Pro-forma non-controlling interest adjustment to 34%	(6,143)	(5,812)
Adjustment for non-controlling interest	(691)	(2,335)
Adjusted earnings	69,939	48,781
Adjusted basic earnings per share	6.02p	4.23p
Adjusted diluted earnings per share	5.88p	4.15p

Basic earnings per share in 2019 has been restated from 3.27p to 3.78p and diluted earnings per share from 3.22p to 3.71p, following the revised non-controlling interest accounting.

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, other exceptional items and increasing the non-controlling interest in PrettyLittleThing.com Limited to 34% of net profit for the year, as in previous years (see note 1).

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	
	2020	2019
Administration	1,599	1,303
Distribution	1,020	885
	2,619	2,188

The aggregate payroll costs of these persons were as follows:

	2020	2019
	£000	£000
Wages and salaries	84,892	62,505
Social security costs	8,721	6,419
Post-employment benefits	1,715	1,123
Equity-settled share-based payment charges	10,957	5,278
	106,285	75,325

9 Directors' and key management compensation

	2020	2019
	£000	£000
Short-term employee benefits	15,087	10,616
Post-employment benefits	180	217
Equity-settled share-based payment charges	2,204	907
	17,471	11,740

10 Taxation

	2020	2019
	£000	£000
Analysis of charge in year		
Current tax on income for the year	18,766	12,409
Adjustments in respect of prior year taxes	628	(54)
Deferred taxation	(55)	42
Tax on profit	19,339	12,397

Income tax expense computations are based on the jurisdictions in which taxable profits were earned at prevailing rates in those jurisdictions. The Company is subject to Jersey income tax at the standard rate of 0%. The reconciliation below relates to tax incurred in the UK where the group is tax resident. The total tax charge differs from the amount computed by applying the UK rate of 19.0% for the year (2019: 19.0%) to profit before tax as a result of the following:

Profit before tax	92,222	59,856
Profit before tax multiplied by the standard rate of corporation tax of the UK of 19.0% (2019: 19.0%)	17,522	11,373
<i>Effects of:</i>		
Expenses not deductible for tax purposes	419	454
Change in deferred tax rate	49	-
Adjustments in respect of prior year taxes	628	(54)
Overseas tax differentials	12	5
Depreciation on ineligible assets	709	619
Tax on profit	19,339	12,397

Tax recognised in the statement of changes in equity

Deferred tax credit on movement in tax base of share options	2,192	3,342
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No current tax was recognised in other comprehensive income (2019: £nil).

11 Intangible assets

	Patents and licences £000	Trademarks £000	Customer lists £000	Computer software £000	Total £000
Cost					
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
Additions	-	19,070	300	3,788	23,158
Disposals	(12)	-	-	(1,118)	(1,130)
Balance at 29 February 2020	614	44,140	6,126	14,548	65,428
Accumulated amortisation					
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
Amortisation for year	133	3,355	1,765	2,815	8,068
Disposals	(12)	-	-	(1,118)	(1,130)
Balance at 29 February 2020	406	8,536	5,916	8,315	23,173
Net book value					
At 29 February 2018	108	22,396	3,617	4,756	30,877
At 28 February 2019	341	19,889	1,675	5,260	27,165
At 29 February 2020	208	35,604	210	6,233	42,255

Within the statement of comprehensive income, amortisation of acquired intangible assets (trademarks and customer lists) of £5,120,000 (2019: £4,449,000) is shown separately. The amount of amortisation included in distribution costs is £393,000 (2019: £648,000) and in administrative expenses is £2,555,000 (2019: £1,852,000).

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 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
Additions	3,639	15,663	2,123	437	542	22,404
Exchange differences	-	-	-	-	94	94
Disposals	(509)	(618)	(330)	-	-	(1,457)
Balance at 29 February 2020	9,155	86,889	6,313	868	40,812	144,037
Accumulated depreciation						
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
Depreciation charge for the year	1,788	7,176	1,573	170	776	11,483
Exchange differences	-	-	-	-	3	3
Disposals	(270)	(563)	(330)	-	-	(1,163)
Balance at 29 February 2020	2,701	15,988	3,529	379	2,224	24,821
Net book value						
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
At 29 February 2020	6,454	70,901	2,784	489	38,588	119,216

The amounts of depreciation included in the statement of comprehensive income in distribution costs is £7,065,000 (2019: £4,003,000) and in administrative expenses is £4,418,000 (2019: £2,969,000).

13 Right-of-use assets

	Short leasehold £000
Cost	
Transition on adoption of IFRS 16 on 1 March 2019	23,524
Additions	3,554
Balance at 29 February 2020	27,078
Accumulated depreciation	7,388
Depreciation for year	5,099
Balance at 29 February 2020	12,487
Net book value	
At 1 March 2019	16,136
At 29 February 2020	14,591

14 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
Direct investment				
Boohoo Holdings Limited	Holdings	UK	49-51 Dale St, Manchester	100%
Indirect investments				
ABK Limited	Dormant	Jersey	12 Castle St, St Helier, Jersey	100%
boohoo.com UK Limited	Trading	UK	49-51 Dale St, Manchester	100%
Boo Who Limited	Dormant	UK	49-51 Dale St, Manchester	100%
boohoo.com USA Limited	Dormant	UK	49-51 Dale St, Manchester	100%
boohoo.com USA Inc	Marketing office	USA	8431 Melrose Pl, Los Angeles	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%
boohoo Germany GmbH	Marketing office	Germany	Tucholskystrasse 13, Berlin	100%
PrettyLittleThing.com Limited	Trading	UK	Wellington Mill, Pollard Street East, Manchester	66%
21Three Clothing Company Limited	Dormant	UK	Wellington Mill, Pollard Street East, Manchester	66%
PrettyLittleThing.com USA Inc	Marketing office	USA	1209 Orange Street, Wilmington	66%
Nasty Gal.com Limited	Trading	UK	49-51 Dale St, Manchester	100%
Nasty Gal.com USA Inc	Marketing office	USA	2135 Bay Street, Los Angeles	100%
MissPap UK Limited	Trading	UK	49-51 Dale St, Manchester	100%
Karenmillen.com Limited	Trading	UK	49-51 Dale St, Manchester	100%
CoastLondon.com Limited	Trading	UK	49-51 Dale St, Manchester	100%

15 Deferred tax

Assets

	Depreciation in excess of capital allowances £000	Share-based payments £000	Total £000
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
Recognised in statement of comprehensive income	158	1,388	1,546
Credit in equity	-	400	400
Asset at 29 February 2020	245	5,735	5,980

Liabilities

	Capital allowances in excess of depreciation £000	Business combinations £000	Total £000
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)
Recognised in statement of comprehensive income	(1,935)	444	(1,491)
Liability at 29 February 2020	(2,430)	(1,163)	(3,593)

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.

16 Inventories

	2020 £000	2019 £000
Finished goods	89,826	59,005
Finished goods - returns	9,281	7,801
	99,107	66,806

The value of inventories included within cost of sales for the year was £566,514,000 (2019: £386,895,000). An impairment provision of £7,411,000 (2019: £5,181,000) was charged to the statement of comprehensive income. There were no write-backs of prior period provisions during the year.

17 Trade and other receivables

	2020	2019
	£000	£000
Trade receivables	20,603	14,201
Prepayments	7,309	5,126
Accrued income	295	386
Taxes and social security receivable	3,621	2,863
	31,828	22,576

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.

Where specific trade receivables are not considered to be at risk and requiring a provision, otherwise the trade receivables impairment provision, is calculated using the simplified approach to the expected credit loss model, based on the following percentages:

	2020	2019
	%	%
Age of trade receivable		
60 - 90 days past due	1	1
91 - 120 days past due	5	5
Over 121 days past due	90	90

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:

	2020	2019
	£000	£000
Due within 30 days	13,157	7,943
Provision for impairment	(2,392)	-
Due in 31 to 90 days	9,971	7,972
Provision for impairment	(1,010)	(1,714)
Past due	877	295
Provision for impairment	-	(295)
Total amounts due and past due	24,005	16,210
Total provision for impairment	(3,402)	(2,009)
	20,603	14,201

18 Cash and cash equivalents

	2020	2019
	£000	£000
At start of year	197,872	142,575
Net movement during year	46,889	55,350
Effect of exchange rates	687	(53)
At end of year	245,448	197,872

19 Trade and other payables

	2020 £000	2019 £000
Trade payables	33,915	33,930
Amounts owed to related party undertakings	2	-
Other creditors	2,735	1,730
Accruals	99,300	81,930
Provision for liabilities	29,291	18,912
Deferred income	10,702	8,453
Taxes and social security payable	18,865	9,396
	194,810	154,351

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 2019	1,550	17,362	18,912
<i>Movements in provision charged/(credited) to income statement:</i>			
Prior year provision utilised	-	(17,362)	(17,362)
Increase in provision in current year	2,650	25,091	27,741
Provision at 29 February 2020	4,200	25,091	29,291

20 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.

	2020 £000	2019 £000
Non-current liabilities		
Secured bank loans	2,382	4,764
Current liabilities		
Current portion of secured bank loans	2,382	2,382

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	2020 £000	2019 £000
Secured bank loan	GB£	LIBOR + 0.95%	2022	4,764	7,146

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 £164.6 million (2019: £131.7 million), including all present and future freehold property, book and other debts, chattels and goodwill, both present and future.

Movement in financial liabilities

	2020	2019
	£000	£000
Opening balance	7,146	9,528
Interest accrued	128	144
Interest paid	(128)	(144)
Capital paid	(2,382)	(2,382)
Closing balance	4,764	7,146

21 Lease liabilities

Minimum lease payments due	Within 1 year	1-2 years	2-5 years	5-10 years	More than 10 years	Total
	£000	£000	£000	£000	£000	£000
29 February 2020						
Lease payments	5,597	4,599	6,353	-	-	16,549
Finance charges	(197)	(125)	(74)	-	-	(396)
Net present value	5,400	4,474	6,279	-	-	16,153

	2020	2019
	£000	£000
Current lease liability	5,400	-
Non-current lease liability	10,753	-
Total	16,153	-

22 Share capital and reserves

	2020	2019
	£000	£000
1,168,033,762 authorised and fully paid ordinary shares of 1p each (2019: 1,163,143,830)	11,680	11,631

During the year, a total of 5,109,478 shares were issued under the share incentive plans (2019: 13,574,314). On 27 February 2020, 16,925 (2019: 31,223) 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 (2019: £nil).

23 Capital commitments

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

	2020	2019
	£000	£000
Property, plant and equipment	9,797	-

24 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:

	2020	2019
	£000	£000
Within one year	4	1,966
Within two to five years	-	4,032
In more than five years	-	261
	4	6,259

25 Contingent liabilities

From time to time, the group can be subject to various legal proceedings and claims that arise in the ordinary course of business, which may include cases relating to the group's brand and trading name. All such cases brought against the group are robustly defended and a liability is recorded only when it is probable that the case will result in a future economic outflow and that the outflow can be reliably measured.

As at 29 February 2020, 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 29 February 2020 (FY20)

£m	4m to 31 December				2m to 28/29 February				12m to 28/29 February			
	FY20	FY19	yoy %	yoy % CER	FY20	FY19	yoy %	yoy % CER	FY20	FY19	yoy %	yoy % CER
Total	473.7	328.2	44%	44%	196.3	133.4	47%	48%	1,234.9	856.9	44%	44%
UK	255.8	180.0	42%	42%	108.5	74.2	46%	46%	679.3	488.2	39%	39%
ROE	69.6	44.4	57%	54%	31.4	19.4	61%	58%	188.4	115.1	64%	62%
USA	110.6	70.4	57%	57%	42.3	27.7	53%	62%	263.6	166.3	59%	61%
ROW	37.7	33.4	13%	13%	14.1	12.1	17%	14%	103.6	87.3	19%	19%

£m	3m to 31 May				3m to 31 August				6m to 31 August			
	FY20	FY19	yoy %	yoy % CER	FY20	FY19	yoy %	yoy % CER	FY20	FY19	yoy %	yoy % CER
Total	254.3	183.6	39%	39%	310.5	211.7	47%	47%	564.9	395.3	43%	43%
Revenue by region												
UK	140.6	110.7	27%	27%	174.4	123.3	41%	41%	315.0	234.1	35%	35%
ROE	38.2	22.3	72%	71%	49.2	29.0	70%	68%	87.5	51.2	71%	69%
USA	51.3	31.4	64%	66%	59.4	36.8	61%	64%	110.7	68.2	62%	65%
ROW	24.2	19.2	26%	28%	27.5	22.6	22%	23%	51.7	41.8	24%	25%

Revenue by period for the year to 28 February 2019 (FY19)

£m	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	328.2	228.2	44%	43%	133.4	88.7	50%	50%	856.9	579.8	48%	47%
Revenue by region												
UK	180.0	135.6	33%	33%	74.2	56.6	31%	31%	488.2	355.6	37%	37%
ROE	44.4	28.2	57%	54%	19.4	10.2	90%	86%	115.1	66.3	74%	67%
USA	70.4	39.6	78%	80%	27.7	13.5	105%	101%	166.3	92.7	79%	81%
ROW	33.4	24.7	35%	32%	12.1	8.4	44%	44%	87.3	65.2	34%	30%

£m	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	183.6	120.1	53%	52%	211.7	142.8	48%	47%	395.3	262.9	50%	49%
Revenue by region												
UK	110.7	74.5	49%	49%	123.3	88.8	39%	39%	234.1	163.4	43%	43%
ROE	22.3	12.2	82%	71%	29.0	15.6	86%	73%	51.2	27.8	84%	72%
USA	31.4	17.9	75%	78%	36.8	21.7	70%	71%	68.2	39.6	72%	74%
ROW	19.2	15.4	24%	22%	22.6	16.7	36%	31%	41.8	32.1	30%	27%