

Registered Number: 06400760



FARFETCH

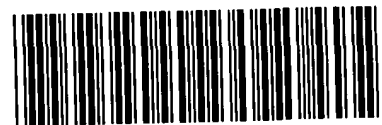
Farfetch UK Limited

**Statutory financial statements
for the year ended 31 December 2019**

Registered Office

**The Bower
211 Old Street
London
EC1V 9NR**

MONDAY



AA5502FN

A08

24/05/2021

#235

COMPANIES HOUSE

Farfetch UK Limited
Contents of the Statutory Financial Statements
for the year ended 31 December 2019

Company information	2
Strategic report.....	3
Report of the directors.....	6
Statement of the directors' responsibilities	11
Independent auditors' report.....	12
Statement of profit or loss	14
Statement of comprehensive loss	15
Statement of financial position	16
Statement of changes in equity.....	17
Notes to the financial statements.....	18

Farfetch UK Limited
Company information
for the year ended 31 December 2019

Directors:

S N Phair
E G Jordan
J M F Neves

Registered office:

The Bower
211 Old Street
London
England
EC1V 9NR

Registered number:

06400760

Independent auditors:

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Farfetch UK Limited
Strategic report
for the year ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019 for Farfetch UK Limited ("the Company"). The Company is a wholly owned subsidiary of Farfetch.com Limited which is fully owned by Farfetch Holdings plc, which is a wholly owned subsidiary of Farfetch Limited (the "Group").

Principal activity and review of business

The net loss for the year, after taxation, amounted to \$294,135,000 (2018: loss of \$99,170,000). In 2019, Gross Merchandise Value¹ ("GMV") on a constant currency basis increased by 33.2% to \$1,609,000,000 (2018: \$1,208,038,000). Revenue increased by 26.0% to \$609,022,000. Net cash decreased by \$860,079,000 to \$151,894,000 as at 31 December 2019. We delivered an underlying operating loss of \$182,394,000 and negative Adjusted EBITDA² of \$148,842,000 as shown below:

	2019 \$'000	2018 \$'000
Operating Loss ^{*1 *2}	(259,577)	(115,743)
Share based payment expenses	77,183	27,862
Underlying operating loss	(182,394)	(87,881)
Depreciation	5,703	1,229
Amortisation	27,849	14,577
Adjusted EBITDA²	(148,842)	(72,075)

The principal activity of the Company was the operation of the Marketplace for fashion retailers, designers and brands to be able to offer their products for sale to the public (including associated services such as production, logistics, customer services and payment processing). Research and development activities continued with respect to the development of the Farfetch platform, including the Marketplace. The directors anticipate this activity to continue.

Key performance indicators (KPIs)

The Marketplace has over 1200 partner brands and boutiques (2018: over 1,000).

The average order value on the Marketplace was \$608 (2018: \$620).

The directors, monitor revenue and profits or loss as set out in the statement of profit or loss on page 14. The directors are of the opinion that disclosing additional key performance indicators, other than those above, is not necessary to understand the development, performance and position of the business.

Business environment

The Company is a subsidiary of Farfetch.com limited which is in turn owned by Farfetch Holdings plc which is in turn owned by Farfetch Limited (the "Group") and operates in the fashion industry.

The Company met the challenges of a dynamic business environment in 2019 and performed well with strong growth in GMV and associated income.

Strategy

The Company's current strategy is to:

- Act as a global ecommerce platform for fashion boutiques and brands
- Provide consumers with revolutionary ways to buy fashion
- Develop omni-channel solutions for the retail community

¹ "Gross Merchandise Value", or "GMV," means the total value of orders processed. GMV is inclusive of product value, shipping and duty. It is net of returns, value added taxes and cancellations. GMV does not represent revenue earned by the Group, although GMV and revenue are correlated.

² Adjusted EBITDA is operating loss before, exceptional items, share based payment expense, depreciation and amortisation.

Farfetch UK Limited
Strategic report (continued)
for the year ended 31 December 2019

Future outlook

The Company is showing strong growth in both demand for, and supply of, products through the Farfetch platform. The Company is confident in its future outlook.

Events after the reporting year

Subsequent events are disclosed in note 29 to the financial statements.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are:

- The ongoing change in the online fashion market including potential emergence of new competitors and increased activity from existing competitors, including offline retailers moving online. This is mitigated by strong marketing, understanding of emerging fashion trends and changes in demand, plus strong relationships with our boutique network.
- The Company operates in a number of countries which expose the Company to currency movements. This is partially offset by agreeing favorable foreign exchange rates in advance for transactions using forward foreign exchange contracts.
- The Company's Marketplace and associated software is key to the business. IT failures could disrupt the business leading to increased loss and loss of customers. The Company takes adequate precautions and security measures to mitigate against this risk by taking regular backups of the system, safe guarding against computer viruses, and putting in place backup servers at a different location to host the website in case of emergencies.
- The ability of partners to be able to fulfill orders given the expansive customer network in relation to the size of boutiques. This risk is mitigated through us increasing the amount of partners we have which in turn increases our supply base. We have also strengthened our relationships with the partner network by providing them with sales analysis and financing opportunities through our associate Farfetch Finance Limited.
- The retention of employees and attracting top talent to support growth. The Company's success depends on its ability to attract, motivate and retain key employees. This is mitigated through various financial and non-financial measures including long and short-term incentive plans (including share options) and other employee benefits including career development opportunities.

The United Kingdom's proposed withdrawal from the European Union

The global political landscape has shifted after Brexit was delivered by the end of 2020. The uncertainty surrounding Brexit increased the volatility of the trading activities throughout 2019. The UK government and its EU counterpart are expected to strengthen cross-border control, making it more difficult to source and move products and people. This could bring operational disruptions, lost business opportunities and diminished customer propositions, thus impacting customers willingness to engage with and buy from us. This could further impact negatively on the Company's goal to achieve profitability, due to tariff restrictions and new customs legislation.

The company is a subsidiary of Farfetch.com, which is owned by Farfetch Limited and operates in both the UK and EU. To mitigate the risks, the Company continues to monitor, model and assess the potential outcomes and implications of pro-Brexit procedures, recommending changes or adaptations to our business operations. The Company is continuing to act as a global ecommerce platform for fashion boutiques and brands, delivering more revenue from platform services and delivery services. The latter contains fees charged to sellers for the settlement of duties which may be directly affected by any proposed new customs terms due to Brexit. We have external advisers who can provide us with additional support or information when required. All Farfetch employees have been offered support from our People Team and given chance to discuss this matter openly and transparently within the Company.

Farfetch UK Limited
Strategic report (continued)
for the year ended 31 December 2019

COVID-19 virus impact

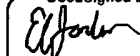
Since December 2019, COVID-19 was reported in China and has spread globally. In response, most of the countries have taken different lock-down measures in relation to prevention and containment. This has stagnated many business activities and dampened consumer confidence, including temporary suspension of delivery services, manufacturing activities, shops and offices, posing great risk to our employees, contractors, suppliers and other business partners. In addition, mandated government authority measures or other measures elected by companies as a preventive measure may lead to our consumers being unable to complete purchases or adversely impact consumer discretionary spending.

In March 2020, the World Health Organisation declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the world. There is uncertainty around the duration of the disruption to our business. In light of the COVID-19 pandemic, the Company will consider the impacts on the financial statements and where appropriate has been reflected in the financials to be presented.

The Company believes COVID-19 had little impact on 2019 financial results.

Approved by the Board and signed on its behalf by:

DocuSigned by:



5B78C514794C415...

.....
E G Jordan - Director

Farfetch UK Limited
Report of the directors
for the year ended 31 December 2019

The directors present their report and the audited financial statements for the year ended 31 December 2019. Further information on the Company can be found in the Strategic report and in note 1 to the financial statements, forming part of this report by cross reference.

Directors

The directors of the Company, who served throughout the financial period and up until the date of this report, are listed on page 2.

Changes in directorship during the year

There was one change to the directors who held office during the period from 1 January 2019 to the date of this report. Stephanie Nadine Phair was appointed to act as a director since 28 October 2019. Andrew George Robb resigned as a director on 21 October 2019.

Directors' interest in shares in the company

According to the register kept under section 808 of the Companies Act 2006, no director had any beneficial interest in the shares of the Company either at the beginning or end of the year. There were no changes in directors' interests during the year.

Employees

The Company continued its policy of providing regular information on Company performance, business activities and related matters to all employees. Smaller groups of employees, including senior employee representatives, attend regular business reviews, at which opportunity is given to question the company on business performance, plans and strategies.

Employees are eligible to receive awards to participate in the Group's performance via an employee share option plan.

The Company's policy with regard to disabled people is to provide equal employment opportunity by giving full and fair consideration to their applications for employment and the continued employment, wherever possible, of employees who became disabled and providing suitable opportunities for their training, career development and promotion.

Financial risk management

The Company manages its capital to ensure it will be able to continue as a going concern. At 31 December 2018 and 31 December 2019, the capital structure consisted solely of equity. The Company is not subject to any externally imposed capital requirements.

The Company is exposed to risks which arise from the probability of changes in the fair value of the future cash flows deriving from a financial instrument due to fluctuations in market prices. The Company has identified two principal risks being market risk (foreign exchange) and liquidity risk.

Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. This will effectively result in recognising inventory at the fixed foreign currency rate for the hedged purchases.

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in the consolidated annual financial statements of the ultimate parent undertaking, Farfetch Limited, which are filed with the SEC on a form 20-F and can be obtained from farfetchinvestors.com.

Dividends

The board do not recommend a dividend (2018: None).

Farfetch UK Limited
Report of the directors (continued)
for the year ended 31 December 2019

Future outlook

Further details on the Company's future outlook can be found in the Strategic Report which forms part of this report by cross reference.

Existence of branches outside the UK

The Company has one branch, as defined by section 1046(3) of the Companies Act 2006, outside the UK in the Russian Federation.

Going concern

The directors are required to consider the appropriateness of the going concern basis when preparing the financial statements. The directors confirm that they consider that the going concern basis remains appropriate.

On 21 September 2018, Farfetch Limited commenced trading its shares on the New York Stock Exchange raising \$759 million (net of fees). On February 5, 2020, Farfetch completed the private placement of convertible senior notes (the "Notes") to Tencent and Dragoneer (together, the "Purchasers"), pursuant to which Farfetch received \$250 million and issued the Notes to the Purchasers. On April 30, 2020, Farfetch completed the private offering of \$400 million in aggregate principal amount of convertible senior notes for net proceeds of \$390 million. On 17 November 2020, Farfetch issued and sold Convertible Senior Notes due 15 November 2030 for an aggregate principal amount of \$600 million to Taobao China Holding Limited ("Alibaba") and Richemont International Holding S.A. ("Richemont"), unless earlier repurchased, redeemed or converted. The notes will bear interest at a rate of 0% per year. Taking these financing activities, combined with the board approved budgets in forming their view and the receipt of a letter of support from the Parent, the directors believe that the Company is well placed to manage its business risks successfully.

The Company has therefore continued to adopt the going concern basis of accounting in preparing the annual financial statements based upon its current forecasts and cash and financing facilities.

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of the directors which were made during the year and remain in force at the date of this report.

The Board's Statement on s172 (1)

The success of our business is dependent on the support from our stakeholders. It is important to us to build strong and positive relationships with them, who share our values and strategies, so we can work together towards shared goals. Our ambition is to become the leader in transactions and the leader in cultural relevance in luxury fashion industry.

• **Shareholders**

The ultimate parent company, Farfetch Limited, comprises a number of business units, all of which have extensive engagement with their own unique stakeholders. It follows certain corporate governance practices of its home country, the Cayman Islands, in lieu of certain of the corporate governance requirements of the NYSE. In our governance framework, the Company owns its delegation of authority for local decision-making at business unit level, which allows it to take account of the needs of the Company's own stakeholders in their decision-making. The directors make decisions with a long-term view in mind and with the highest standards of conduct in line with the parent Company's policies. The directors take care to have regard to the likely consequences on all stakeholders of the decisions and actions which they take.

As directors rely on the support of shareholders their opinions are important to us. We have an open and transparent dialogue with our shareholders through one-to-one meetings, group meetings, webcasts and the Annual General Meeting. Discussions with shareholders cover a wide range of topics including financial performance, financing, strategy, outlook, governance and ethical practices. Shareholder feedback along with details of movements in our shareholder base are regularly reported to and discussed by the Board and their views are considered as part of decision-making.

Farfetch UK Limited
Report of the directors (continued)
for the year ended 31 December 2019

- **Colleagues**

Our people are key to our success and we want them to be successful individually and as a team. There are many ways we engage with and listen to our people including surveys, forums, personal briefings, internal communities, newsletters and through our online Slack virtual groups. Key areas of focus include health and well-being, life and work balance, development opportunities, pay and benefits, and Farfetch Equity. Employees also are entitled to receive remuneration in the form of share based payments. The consideration can be either equity or cash settled depending on the scheme. We also believe that we maintain a good working relationship with our people, and we have not experienced any significant labor disputes or any difficulty in recruiting staff for our operations.

- **Customers**

The Company operates an omni-channel approach across the digital and physical realms to serve our mission to connect the world's creators, curators and consumers, as the leading global platform for the luxury fashion industry. We aim to build strong lasting relationships with our customers and constantly invest in maintaining customer loyalty. The Company manages to understand their needs and views and listen to how we can improve our offer and service for them. We use this knowledge to inform our decision-making on digital platform.

- **Suppliers**

We build strong relationships with our suppliers to develop mutually beneficial and lasting partnerships. Engagement with suppliers is primarily through a series of interactions and formal reviews and we also communicate with them to discuss shared goals and build relationships. Key areas of focus include customer demands, product designing and production, fulfillment, sustainability, and health and safety. We rely on contractual provisions with suppliers and luxury sellers to protect our proprietary technology, brands and creative assets.

- **Communities**

This year, we continued on our path to building a culturally relevant brand, which started with our new content initiative, Farfetch Communities, and the work we commenced on our new brand strategy and positioning, 'Only On Farfetch'. 'Only On Farfetch' highlights Farfetch's unique ability to give luxury consumers access to products, brands, services and a community of the best curators in the world through its boutique network, which can't be found elsewhere in luxury fashion.

In terms of environmental aspect, we have been promoting Positively Farfetch, a strategy to embed sustainability in and across our business. The strategy has three key pillars, that each align with core business drivers. "Positively Cleaner" is focused on environmental impact reduction and is expected to help us become a more cost-efficient business. "Positively Conscious" is focused on inspiring our consumers to make positive choices that consider the impact on the environment, society, and animal welfare, and help us become the global destination for more conscious fashion consumers. "Positively Circular" is focused on investing in new services that help extend the life of clothes and help drive growth and consumer retention.

- **Government and regulators**

We engage with the government and regulators through a range of consultations, meetings and conferences to communicate our views to policy makers relevant to our business. There is an increased focus, including by consumers, investors, employees and other stakeholders, as well as by governmental and non-governmental organisations, on social, environmental and sustainability matters. We are subject to governmental regulation and other legal obligations related to privacy, data protection and information security. This means we invest in keeping compliant with the UK GDPR.

Farfetch UK Limited
Report of the directors (continued)
for the year ended 31 December 2019

Engagement with employees

The Company continues to place great importance in maintaining a closer engagement with our employees. There were many procedures taken by the Company during the financial year to further develop employee engagement by:

- providing employees with information on matters of concern to them (such as: COVID-19 impact on health and safety, work and life balance, equity trading procedures);
- consulting employees on a regular basis so that their views can be taken into account in making decisions (such as: flexible working arrangement, overseas working guidance, LGBT matters);
- encouraging the involvement of employees in the Company's performance through an employees' share scheme.

In addition, our directors communicated at least once per month with employees to update them on the financial performance, the logistics, the product development and many other company-wide concerns. Virtual Q&A sessions are held every month to address questions from employees live and a follow-up recorded video is shared on Workplace which all the Company employees can access.

Statement on business relationships

The Company is constantly developing new and innovative technology, such as Farfetch Store of the Future. Our Augmented Retail vision begins with the customer in mind. Customers enjoy the experience of being in-store, building a relationship with the sales associate and experiencing merchandise in a luxury store setting, yet technology has meant that consumers now expect ultra-personalised experiences, both in their real and digital lives, and expect those worlds to be seamlessly connected. Our Augmented Retail vision reflects the retail experience of the future by giving retailers visibility of their consumers' preferences, both in-store and online, enabling them to enhance the services they can offer. With this in mind, we have developed a range of services and technologies to progress innovation in the luxury industry. This means the Company is able to monetise technologies and bring a product to market in a timely manner to serve our customers better.

The Company is also maintaining more diversified and reliable supplier relationship. It includes first-party product suppliers, third-party warehousing providers, third-party carriers and other suppliers. The Company is also communicating with suppliers to make better use of their distribution network, so more customer-friendly services can be facilitated, such as in-store pick-up and returns.

Events after the reporting year

Events after the reporting year can be found in note 29 to the financial statements and forms part of this report by cross reference.

Statement as to disclosure of information

Each of the persons who is a director at the date of approval of this report confirms that:

- So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware; and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

The financial statements on pages 14 to 49 were approved by the board of directors on 12 May 2021 and signed on its behalf by E G Jordan.

DocuSigned by:



On behalf of the board:.....5B7AC51A794C415.....

E G Jordan - Director.

Farfetch UK Limited
Statement of the directors' responsibilities
for the year ended 31 December 2019


The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently.
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements.
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DocuSigned by:

5B78C514794C415...

On behalf of the board:.....

E G Jordan - Director



Independent auditors' report to the members of Farfetch UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, Farfetch UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Statutory financial statements for the year ended 31 December 2019 (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2019; the statement of profit or loss, the statement of comprehensive loss and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Report of the directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Report of the directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the directors for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of the directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Greg Briggs (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
12 May 2021

Farfetch UK Limited
Statement of profit or loss
For the year ended 31 December 2019

	Note	2019 \$'000	2018 (Restated) \$'000
Revenue *1	4	609,022	483,400
Cost of sales *1		(279,629)	(211,766)
Gross profit *1		329,393	271,634
Selling, general and administrative expenses *1 *2		(588,970)	(387,377)
Operating Loss *1 *2		(259,577)	(115,743)
Gains on present value remeasurement	6	44,853	-
Loss on initial recognition of option liabilities	6	(101,310)	-
Finance income	7	23,766	16,902
Finance costs	7	(1,260)	(116)
Loss before tax		(293,528)	(98,957)
Income tax expense	9	(607)	(213)
Loss after tax *1 *2		(294,135)	(99,170)

*1 See Note 27 for the impact of the novation process of Farfetch Black & White Limited

*2 See Note 28 for the share based payment employment tax provision restatement

The notes on pages 18 to 49 form part of these financial statements

Farfetch UK Limited
Statement of comprehensive loss
For the year ended 31 December 2019

	Note	2019 \$'000	2018 (Restated) \$'000
Loss after tax ^{*1*2}		(294,135)	(99,170)
Other comprehensive (loss)/income:			
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods (net of tax):			
Exchange differences on translation of foreign branch		(241)	19,094
Loss on cash flow hedges		(3,277)	-
Impairment loss on investments	13	(100)	-
Other comprehensive (loss)/income for the year, net of tax		(3,618)	19,094
Total comprehensive loss for the year, net of tax ^{*1*2}		(297,753)	(80,076)

*1 See Note 27 for the impact of the novation process of Farfetch Black & White Limited

*2 See Note 28 for the share based payment employment tax provision restatement

The notes on pages 18 to 49 form part of these financial statements

Farfetch UK Limited
(Registered number: 06400760)
Statement of financial position
As at 31 December 2019

		2019	2018 (Restated)
	Note	\$'000	\$'000
Asset			
Non-current assets			
Intangible assets	11	160,609	70,486
Property, plant and equipment	12	10,181	7,291
Investments	13	127,635	54,788
Trade and other receivables ^{*1}	14, 28	121,462	5,674
Right-of-use assets	23	29,834	-
Total non-current assets		449,721	138,239
Current assets			
Inventories	15	2,340	1,264
Trade and other receivables	14	388,307	300,919
Cash and cash equivalents	16	151,894	1,011,973
Total current assets ^{*1}		542,541	1,314,156
Total Assets		992,262	1,452,395
Liabilities and Equity			
Liabilities			
Non-current liabilities			
Trade and other payables	19	99	-
Provisions ^{*2}	20	7,816	8,209
Deferred income tax liabilities	28	504	-
Lease liabilities	23	29,676	-
Put and Call option liabilities	6	56,457	-
Total non-current liabilities ^{*2}		94,552	8,209
Current liabilities			
Trade and other payables	19	763,866	1,124,501
Lease liabilities	23	3,122	-
Total current liabilities		766,988	1,124,501
Total liabilities		861,540	1,132,710
Equity			
Share capital	17	1	1
Share premium	17	596,001	545,999
Foreign exchange reserve		20,518	20,759
Other reserves	18	131,251	75,840
Accumulated loss ^{*1 *2}		(617,049)	(322,914)
Total equity ^{*1 *2}		130,722	319,685
Total liabilities and equity		992,262	1,452,395

*1 See Note 27 for the impact of the novation process of Farfetch Black & White Limited

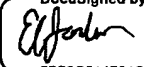
*2 See Note 28 for the share based payment employment tax provision restatement

The notes on pages 18 to 49 form part of these financial statements

Farfetch UK Limited
Statement of changes in equity
For the year ended 31 December 2019

	Share capital (note 17) \$'000	Share premium (note 17) \$'000	Foreign exchange reserve \$'000	Other reserves (note 18) \$'000	Accumulated Loss (note 28) \$'000	Total equity \$'000
As at 1 January 2018	-	-	1,665	55,118	(223,744)	(166,961)
Changes in equity						
Issue of share capital	1	545,999	-	-	-	546,000
Loss for the year (Restated)	-	-	-	-	(99,170)	(99,170)
Other comprehensive income	-	-	19,094	-	-	19,094
Share based payment – equity settled	-	-	-	20,722	-	20,722
As at 31 December 2018	1	545,999	20,759	75,840	(322,914)	319,685
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 January 2019	1	545,999	20,759	75,840	(322,914)	319,685
Changes in equity						
Loss for the year	-	-	-	-	(294,135)	(294,135)
Other comprehensive loss	-	-	(241)	(3,377)	-	(3,618)
Loan capitalisation	-	50,002	-	-	-	50,002
Warrant exercised	-	-	-	(742)	-	(742)
Share based payment – equity settled	-	-	-	59,530	-	59,530
As at 31 December 2019	1	596,001	20,518	131,251	(617,049)	130,722

The financial statements on pages 14 to 49 were approved by the Board of directors on 12 May 2021 and were signed on its behalf by:

DocuSigned by:

 5B78C514794C415...

E G Jordan - Director

The notes on pages 18 to 49 form part of these financial statements

Farfetch UK Limited
Notes to the financial statements
For the year ended 31 December 2019

1. Company information

Farfetch UK Limited is a private company incorporated in the United Kingdom (England & Wales) under the Companies Act 2006 limited by shares. The Company's registered office is The Bower, 211 Old Street, London, England, EC1V 9NR. The registration number of the Company is 06400760. The principal activity of the Company is that of marketing and providing editorial and merchant facilities. The Board of directors have authorised the issue of these financial statements on the date of the statement as set out in page 17. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of Farfetch UK Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, modified by the fair value for derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006, except for the departure from the Companies Act explained in note 11.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined).
- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16, 'Property, plant and equipment'; and
 - (iii) paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 38B–D (additional comparative information);
 - 111 (cash flow statement information); and
 - 134–136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in exemption to provide third balance sheet for the errors correction.

Farfetch UK Limited
Notes to the financial statements (continued)
For the year ended 31 December 2019

2. Significant accounting policies (continued)

The financial statements are presented in US dollars due to a functional currency change from January 2019 and all values are rounded to the nearest ('000) US dollars, except where otherwise indicated. Please refer to note 26 for more details.

The financial statements provide comparative information in respect of the previous period in US dollars.

The Company is itself a subsidiary company which is consolidated into its parent's group financial statements. Further detail can be found in note 22 "Ultimate controlling party". As such, the Company is exempt from the requirement to prepare group financial statements by virtue of section 401 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking.

In the year ended December 31, 2019, the Company has applied the below amendments to IFRS issued by the IASB ("International Accounting Standards Board") that are mandatorily effective for an accounting period that began on or after January 1, 2019. Please refer to the note 2.4 Changes in accounting policies and disclosures for more details.

2.2 Going concern

The directors considered the appropriateness of the going concern basis when preparing the financial statements. The directors confirm that they consider that the going concern basis remains appropriate.

On 21 September 2018, Farfetch commenced trading its shares on the New York Stock Exchange raising \$759 million (net of fees). On February 5, 2020, Farfetch completed the private placement of convertible senior notes (the "Notes") to Tencent and Dragoneer (together, the "Purchasers"), pursuant to which Farfetch received \$250 million and issued the Notes to the Purchasers. On April 30, 2020, Farfetch completed the private offering of \$400 million in aggregate principal amount of convertible senior notes for net proceeds of \$390 million. On 17 November 2020, Farfetch issued and sold Convertible Senior Notes due 15 November 2030 for an aggregate principal amount of \$600 million to Taobao China Holding Limited ("Alibaba") and Richemont International Holding S.A. ("Richemont"), unless earlier repurchased, redeemed or converted. The notes will bear interest at a rate of 0% per year.

Taking these financing activities, combined with the board approved budgets in forming their view and the receipt of a letter of support from the ultimate Parent, the directors believe that the Company is well placed to manage its business risks successfully for the minimum of 12 months from issuance of this financial statements.

The Company has therefore continued to adopt the going concern basis of accounting in preparing the annual financial statements based upon its current forecasts and cash and financing facilities.

2.3 Summary of significant accounting policies

a) Investment in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment loss.

b) Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

Farfetch UK Limited
Notes to the financial statements (continued)
For the year ended 31 December 2019

2. Significant accounting policies (continued)

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities, including deferred tax liabilities, as non-current.

c) Fair value measurement

This section outlines the Company policies applicable to financial instruments that are recognised and measured at fair value in the financial statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

d) Revenue recognition

Revenue is recorded in accordance with the five-step model under IFRS 15:

1. identifying the contracts with customers;
2. identifying the separate performance obligations;
3. determining the transaction price;
4. allocating the transaction price to the separate performance obligations; and
5. recognising revenue when each performance obligation is satisfied.

Retailing of goods

Revenue is recognised when the performance obligation is satisfied which is when the goods are received by the customer. Included within sales of goods is a provision for expected returns, discounts and rebates. Where these are not known, the Company uses historical data and patterns to calculate an estimate.

Rendering of services

Farfetch UK Limited
Notes to the financial statements (continued)
For the year ended 31 December 2019

2. Significant accounting policies (continued)

The Company provides multiple services to brands and boutiques, and end consumers. The Company primarily acts as a commercial intermediary between sellers and end customers and earns a commission for this service. The Company acts as an agent as part of this arrangement and revenue is recognised on a net basis. The Company also charges fees to sellers for activities related to providing this service, such as packaging, credit card processing, settlement of duties, and other transaction processing activities. These activities are not considered separate promises to the customer, and the related fees are therefore recognised concurrently with commissions at the time the performance obligation to facilitate the transaction between the seller and end consumer is satisfied, which is when the goods are dispatched to the end consumer by the seller. A provision is made for commissions that would be refunded if the end consumer returns the goods, and the Company uses historical data and patterns to estimate its return provision.

The Company also provides delivery services to end consumers for goods purchased on its platform. For these services, the Company acts as the principal and recognises as revenue amounts charged to end consumers net of any promotional incentives and discounts. Revenue for these services is recognised on delivery of goods to the end consumer, which represents the point in time at which the Company's performance obligation is satisfied. No provision for returns is made as delivery revenue is not subject to refund.

Promotional incentives, which include basket promo-code discounts, may periodically be offered to end consumers. These are treated as a deduction to revenue. Cash is collected by the Company from the end consumer using payment service providers. Within two months of the transactions, this is remitted to the relevant seller (net of commission and recoveries).

The Company is also to recognise inter-company license fee as revenue according to the agreements in place with intercompany (such as: Transfer pricing agreements). For example, the Company may charge a commission fee of a pre-determined rate based on invoice amount to Farfetch US if the latter maintains a profitable position on the EBITDA level. The rate is reviewed annually.

e) Current and deferred tax

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates and in accordance with laws that are expected to apply in the period/jurisdiction when/where the liability is settled, or the asset is realised.

Current tax is the expected tax payable based on the taxable profit for the period, and the tax laws that have been enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities. Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit. Current and deferred tax is charged or credited in the statement of profit or loss, except when it relates to items charged or credited directly to equity, in which case the current or deferred tax is also recognised directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates and in accordance with laws that are expected to apply in the period/jurisdiction when/where the liability is settled, or the asset is realised. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities and where there is an intention to settle the balances on a net basis.

Farfetch UK Limited
Notes to the financial statements (continued)
For the year ended 31 December 2019

2. Significant accounting policies (continued)

f) Foreign currencies

From January 2019, the functional currency of Farfetch UK Limited was changed from Sterling to U.S dollar. This was a result of a gradual change in the primary economic environment in which Farfetch UK Limited operates driven by the growth of consumers where the Company receives U.S. Dollars in settlement.

The Company changed its presentation currency from Sterling to U.S dollar with retrospective application on comparative figures according to IAS 8 and IAS 21. The change was made to reflect that U.S dollar is the predominant currency in the Company.

The Company also has a Russian branch whose functional currency is Russian Ruble. The assets and liabilities of branch operations are translated into U.S dollar at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average exchange rates. The exchange differences arising on translation are recognised in other comprehensive income.

Please refer for note 26 "Change of functional and presentation currency" for more narratives on the impact on the Company due to this change.

g) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

h) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment loss, if any. All repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Items of property, plant and equipment are depreciated in the statement of profit and loss on a straight-line basis over their useful life. The financial and technical useful lives of these items are assessed as follows:

Leasehold improvements	Shorter of the life of the lease or the useful life
Fixtures and fittings	Three to ten years
Computer equipment	Three to ten years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Property, plant and equipment are also assessed for indicators of impairment. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss if its carrying amount is greater than its recoverable amount. Further detail can be found in section "m" below.

i) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Farfetch UK Limited
Notes to the financial statements (continued)
For the year ended 31 December 2019

2. Significant accounting policies (continued)

Above is the lease accounting policy effective till 31 December 2018. In the year ended December 31, 2019, the Company has applied the below amendments to IFRS's issued by the IASB that are mandatorily effective for an accounting period that began on or after January 1, 2019. Please refer to the note 2.4 Changes in accounting policies and disclosures for more details:

j) Intangible assets

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss, within administrative expenses.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability and intention to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment loss. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in administrative expenses. During the period of development, the asset is tested for impairment annually.

Subsequent costs

Subsequent costs are only capitalised when there is an increase in the anticipated future economic benefit attributable to the assets in question. All other subsequent costs are entered in the statement of profit and loss for the year in which they are incurred.

Amortisation

Amortisation is charged to the statement of profit and loss on a straight-line basis over the estimated useful life of the intangible assets, from the time that the assets are available for use. The financial and technical useful lives of these items are assessed as follows:

Development costs: Three years

Trademarks & domain names: Five to sixteen years

Customer relationships: Three to five years

Farfetch UK Limited
Notes to the financial statements (continued)
For the year ended 31 December 2019

2. Significant accounting policies (continued)

k) Inventories

Inventories are carried at the lower of cost and the net realisable value based on market performance, including the relative ancillary selling costs. The cost of inventories, calculated according to the weighted average cost method for each category of goods, includes purchase costs and costs incurred to bring the inventories to their present location and condition. In order to represent the value of inventories appropriately in the statement of financial position, and to take into account impairment loss due to obsolete materials and slow inventory movement, obsolescence provisions have been directly deducted from the carrying amount of the inventories.

l) Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

The Company's financial assets comprise cash and cash equivalents, receivables and derivative financial instruments. Derivative financial instruments are comprised of forward exchange contracts, which are measured at fair value through profit or loss, unless they are formally designated and measured as cash flow hedges.

Trade receivables are generally accounted for at amortised cost. The Company assesses on a forward looking basis the expected credit loss associated with its debt instruments carried at amortised cost.

Financial assets through profit or loss are measured initially at fair value (FVTPL) with transaction costs taken directly to the consolidated statement of operations. Subsequently, the financial assets are remeasured, and gains and loss are recognised in the consolidated statement of operations.

Financial assets at fair value through other comprehensive income (FVOCI) comprise equity securities which are not held for trading, and which the company has irrevocably elected at initial recognition to recognise in this category. There is no subsequent reclassification of fair value gains and loss to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the company's right to receive payments is established.

Financial liabilities

The Company's financial liabilities comprise trade and other payables, interest bearing loans and borrowings, contingent consideration and foreign exchange contracts.

Trade and other payables are held at amortised cost.

All interest bearing loans and borrowings are initially recognised at fair value net of issue costs associated with the borrowing. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method.

Contingent consideration and foreign exchange contracts are measured initially at fair value through profit or loss with transaction costs taken directly to the consolidated statement of operations. Subsequently, the fair values are remeasured and gains and loss from changes therein are recognised in the consolidated statement of operations.

Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period.

Where the derivative is not designated as a hedge, subsequent changes in the fair value are recognised in profit or loss. Such derivatives are classified as a current asset or liability.

The Company designates certain derivatives as cash flow hedges to hedge particular risks associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions.

Farfetch UK Limited
Notes to the financial statements (continued)
For the year ended 31 December 2019

2. Significant accounting policies (continued)

At inception of the hedge relationship, the Company documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Company documents its risk management objective and strategy for undertaking its hedge transactions. Currently the Company has only designated cash flow hedges.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

When a hedging instrument matures, any gains or loss held in the cash flow hedge reserve are recycled to profit or loss. If a hedge no longer meets the criteria for hedge accounting, or the forecast transaction is no longer likely to occur, the cumulative gain or loss reported in equity is immediately reclassified to profit or loss.

m) Impairment of non-financial assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists the Company's estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

Impairment loss of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment loss no longer exist or have decreased. If such indication exists, the Company estimates the asset's recoverable amount.

n) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

o) Share based payments

Employees (including senior executives) of the Company receive remuneration in the form of share based payments, whereby employees render services as consideration. The consideration is either equity or cash settled depending on the scheme. Share options granted are over the parent's equity and are estimated based on the fair value of awards at the granting date and accounted for in the Company's individual financial statements as an expense in profit or loss and a capital contribution from the Company's parent.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The transactions are recognised at group level and are charged to the Company based the allocation of employees entity of employment. That cost is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit or loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Farfetch UK Limited
Notes to the financial statements (continued)
For the year ended 31 December 2019

2. Significant accounting policies (continued)

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Cash-settled transactions

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

Employment related taxes

Where the Group has an obligation to settle employment related taxes on share based payments received by employees, these are provided for based on the intrinsic value of the vested and unvested share options at the end of the reporting period. The share based payments employment taxes provision reflects the best estimate of the cost to settle employment related taxes on the Group share based payments based on the most recent share price and the number of share options expected to vest where the Group has an obligation to settle employment related taxes. Every year, a "push-down" exercise is performed to allocate the employment related taxes to subsidiaries. The allocation of additional provisions, provision release and provision utilisation are recorded and disclosed in note 20.

p) Cash and cash equivalent

For the purpose of presentation in the statement of balance sheet and note 16, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, cash held by payment service providers, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.4 Changes in accounting policies and disclosures

Amendments to IFRSs that are mandatorily effective for the current year

In the year ended December 31, 2019, the Company has applied the below amendments to IFRS's issued by the IASB that are mandatorily effective for an accounting period that began on or after January 1, 2019.

IFRS 16 Leases:

The Company has adopted IFRS 16 in accordance with the modified retrospective transitional approach in the current year. The application of the standard has resulted in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases has been removed. Under the new standard, a right of use asset and a financial liability to pay lease rentals are recognised. The only exceptions are short-term and low-value leases in accordance with the practical expedient allowed under the standard. See Note 23 for more details.

3. Critical accounting estimates and judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Below is a summary of the critical measurement processes and the key assumptions used by management in applying accounting policies with regard to the future, and which could have significant effects on carrying

Farfetch UK Limited
Notes to the financial statements (continued)
For the year ended 31 December 2019

amounts stated in the financial statements, or for which there is a risk that significant adjustments may be made to the carrying amount of assets and liabilities in the year following that under review.

Critical judgements in applying group accounting policies

Intangible assets — development cost capitalisation

Amounts capitalised include the total cost of any external products or services and internal labour costs directly attributable to development of the asset. Management judgement is involved in determining the appropriate internal costs to capitalise and the amounts involved.

Recognition of a deferred tax asset

The Company has accumulated significant unutilised trading tax loss (note 9). A deferred tax asset in respect of these loss can only be recognised when it is more than probable that future taxable profits will be available to utilise these against. Whilst the Company expects to become profitable in the future, a deferred tax asset has not been recognised because there is uncertainty on the timing of future profitability in the near future. The Company periodically reviews this assessment.

Change of functional and presentation currency

From 1 January 2019, the functional currency of Farfetch UK Limited was changed from Sterling to U.S dollar. This was a result of a gradual change in the primary economic environment in which Farfetch UK Limited operates driven by the growth of consumers where the Company receives U.S. Dollars in settlement. This is combined with an increase in costs influenced by movements in the U.S dollar. The Group's corporate treasury function continually monitors the Group's exposure to foreign currencies movements. Following the gradual change described above, the Group determined that, whilst Farfetch UK Limited is exposed to movements in several key currencies including U.S dollars, euros and pound sterling, on reviewing Farfetch UK Limited's expected receipts and expenses, U.S dollars had become the dominant currency from January 2019. This has hence triggered a change in functional currency. For more details, please refer to the note 26.

Key sources of estimation uncertainty

Intangible assets and property, plant and equipment – useful lives

The assessment of the useful economic lives and the method of amortising these assets requires judgement. Depreciation and amortisation are charged to the statement of operations based on the useful economic life selected, which requires an estimation of the period and profile over which the Company expects to consume the future economic benefits embodied in the asset. The Company reviews its useful economic lives at the reporting date.

Share based payments

Estimating fair value for share based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The share based payment charge is calculated at the group level and charged down to the Company based on each employees company of employment.

IFRS 16 Leases

On adoption of IFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's Incremental Borrowing Rate (IBR) as of January 1, 2019. The lessee's incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 3.8% on average.

Business combinations

We use our best estimates and assumptions to accurately assign fair value to the intangible assets acquired at the acquisition date. The estimation is primarily due to the judgmental nature of the inputs to the valuation models used to measure the fair value of these intangible asset, as well as the sensitivity of the respective fair values to the underlying significant assumptions. We use a discounted cash flow method of the income approach to

Farfetch UK Limited
Notes to the financial statements (continued)
For the year ended 31 December 2019

measure the fair value of these intangible assets and use specialists to develop certain estimates and assumptions. The significant estimates and assumptions used are in respect to (i) expected future revenue growth rates; (ii) anticipated operating margins; (iii) the useful lives of the acquired brand names; and (iv) the discount rates to be applied to the estimated future cash flows.

During the measurement period, which may be up to one year from the date of acquisition, the Company may record adjustments to the fair value of these tangible and intangible assets acquired and liabilities assumed, with corresponding offset to goodwill.

The Company continues to collect information and re-evaluates these estimates and assumptions as deemed reasonable by management. The Company records any adjustments to these estimates and assumptions against goodwill provided they arise within the measurement period. Upon the conclusion of the measurement period or final determination of the fair value of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to the consolidated statement of operations.

Fair value of financial instruments

Where the fair value of financial assets and liabilities recorded in the financial statements cannot be derived from active markets, their fair value is determined using valuation techniques including the Black Scholes option pricing model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as the risk-free rate and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

When measuring the fair value of an asset or liability, we use observable market data to the greatest extent possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

4. Revenue

Total revenue can be analysed by type of good or service as follows:

	2019 \$'000	2018 \$'000
Sale of goods	-	349
Platform services revenue	495,124	394,896
Platform fulfilment revenue	113,898	88,155
	609,022	483,400

The Company has a single performance obligation in respect of sale of goods. Where finished goods have been ordered but not yet delivered to the consumer at the end of the reporting period, revenue is deferred until delivery, which is when the performance obligation is satisfied. No revenue has been deferred in relation to the sale of goods in 2018 or 2019, nor has any previously deferred revenue been recognised. Within platform services, the Company provides multiple services to sellers, brands and boutiques, and end customers. The Company acts as a commercial intermediary between sellers and final customers and earns a commission for this service. Commission revenue is recognised net on the statement of profit and loss as the Company acts as an agent in these arrangements. Revenue in relation to obligations within Platform Services Revenue which have not been satisfied at the end of the reporting period is \$1,963,000 (2018: \$1,563,000) and is expected to be recognised in under 90 days from the end of the reporting period. In 2019 \$1,563,000 (2018: \$959,000) of revenue deferred in 2018 was recognised as revenue.

Platform services revenue also includes fees charged to sellers for other activities, such as, packaging, credit card processing, and other transaction processing activities. At checkout, end consumers are charged for delivery, if applicable, in addition to the price of goods in their basket. The Company is responsible for collection

Farfetch UK Limited
Notes to the financial statements (continued)
For the year ended 31 December 2019

of cash from end consumers with payment typically taken in advance of completing the performance obligations. This is then remitted net to the sellers within two months of the end of each reporting period.

The Company also provides delivery services for products sold on the platform, for which revenues are recognised when the products are delivered to the end consumers. Revenues for delivery services are stated net of promotional incentives and discounts. Platform fulfilment revenue also includes fees charged to sellers for the settlement of duties which are recognised concurrently with commissions.

As discussed above, the promise with respect to delivery services is satisfied only when the goods are delivered. Within Platform Fulfilment Revenue, where the delivery performance obligation has not been satisfied at the end of the reporting period, revenue of \$686,000 (2018: \$465,000) has been deferred and is expected to be recognised in under 90 days from the end of the reporting period. The transaction price for this performance obligation is the delivery costs charged to the customer as described above. In 2019 \$465,000 (2018: \$403,000) of revenue deferred in 2018 was recognised as revenue.

Further detail can be found in note 2.3. d) to the financial statements.

Farfetch UK Limited
Notes to the financial statements (continued)
For the year ended 31 December 2019

5. Employees and directors

	2019 \$'000	2018 \$'000
Wages and salaries	59,452	42,764
Social security costs	7,071	6,180
Other pension costs	1,727	993
Share based payments- equity settled	66,591	16,573
Share based payments- cash settled	5,971	732
Share based payments- employment related taxes	4,621	10,557
	145,433	77,799

The average monthly number of employees during the year was as follows:

	2019	2018
Technology	146	97
Administration	152	109
Commercial	398	384
	696	590

Directors

The directors' emoluments were as follows:

	2019 \$'000	2018 \$'000
Aggregate amounts (Excluding Share based payment)	1,411	1,266
Company contributions to money purchase schemes	29	17

Highest paid director

The highest paid director's emoluments were as follows:
(Excluding Share based payment)

	2019 \$'000	2018 \$'000
	694	483

Three directors (2018: three) are part of a money purchase pension scheme and also have awards receivable in the form of shares in the ultimate parent company under a long-term incentive scheme. Two directors (2018: two) exercised share options during the year.

Farfetch UK Limited
Notes to the financial statements (continued)
For the year ended 31 December 2019

6. Gain on Fair Value remeasurement and loss on sale of investment

On 11 July 2019, the Company entered into an agreement to transfer 20% of the equity interest in Farfetch International Limited to Chalhoub Group with a put and call option over the equity transferred. This decision was to enable the Company to expand in the Middle East region. The instrument is considered a derivative for the company measured at fair value through profit or loss.

At initial recognition of this transaction, a put and call option liability was recognised for \$101,310,000.

The change in Fair Value of put and call option liability in the current year relates to the valuation of the liability arising as a result of the partnership with Chalhoub (\$44,852,966 remeasurement loss). The valuation is based on the Monte-Carlo model.

Farfetch UK Limited
Notes to the financial statements (continued)
For the year ended 31 December 2019

7. Finance income and costs

	2019 \$'000	2018 \$'000
Deposit account interest	1,826	6,600
Interest income - money market funds	8,637	4,005
Other interest income	-	73
Exchange gains	6,880	6,224
Intercompany loan interest	6,423	-
Finance income	23,766	16,902
Lease interest expense	(978)	-
Other interest expense	-	(116)
Bank loan interest expense	(282)	-
Finance costs	(1,260)	(116)

8. Operating loss

	2019 \$'000	2018 \$'000
Lease expenses before the adoption of IFRS 16	-	6,193
Lease expenses of short-term and low-value leases after the adoption of IFRS 16	3,514	-
Depreciation charge of right-of-use assets	3,998	-
Research and development costs expensed	65,063	12,453
Depreciation charge on property, plant and equipment (excluding right-of-use assets)	1,706	1,229
Amortisation charge on intangible assets	27,849	14,577
Impairment loss on equity investments	5,100	-
Auditors' remuneration - Audit fees	481	247
Auditors' remuneration - Tax services	12	231
Auditors' remuneration - Other services	48	887

Farfetch UK Limited
Notes to the financial statements (continued)
For the year ended 31 December 2019

9. Taxation

Income tax

Current tax:

Corporation Tax expense

Total current tax expense

Total deferred tax expense

Income tax expense

Reconciliation of income tax expense

Loss before tax

Tax at the UK tax rate of 19% (2018: 19%)

Tax effects of:

Sundry permanent differences

Sundry temporary differences

Depreciation allowed under SP/91

Items held at fair value

Entertaining

Reversal of DTL on acquisitions

Unrecognised deferred tax asset arising from timing differences relating to:

Share based payment

Fixed assets

Unrecognised loss carried forward

Tax

	2019 \$'000	2018 \$'000
Current tax:		
Corporation Tax expense	-	-
Total current tax expense	-	-
Total deferred tax expense	(607)	(213)
Income tax expense	(607)	(213)
Reconciliation of income tax expense		
	2019 \$'000	2018 \$'000
Loss before tax	(293,528)	(98,957)
Tax at the UK tax rate of 19% (2018: 19%)	(55,770)	(18,802)
Tax effects of:		
Sundry permanent differences	640	317
Sundry temporary differences	3,754	(3,413)
Depreciation allowed under SP/91	(696)	-
Items held at fair value	10,727	-
Entertaining	35	27
Reversal of DTL on acquisitions	(607)	(213)
Unrecognised deferred tax asset arising from timing differences relating to:		
Share based payment	(4,367)	3,222
Fixed assets	755	245
Unrecognised loss carried forward	44,923	18,403
Tax	(607)	(213)

The Finance Act 2015 reduced the main rate of UK Corporation Tax from 20% to 19% from the 2017 tax year, with the rate set at 19% for the 2018 and 2019 tax years. The Finance Act 2016 has set the CT rate for the 2020 tax year as 17%, however, the Finance Act 2019 has kept the CT rate for 2020 and 2021 as 19%.

Trading loss as at 31 December 2019 of approximately \$480 million (2018: \$244 million) are available to be carried forward indefinitely. UK trading loss are available to be carried forward indefinitely. Legislation has been introduced with effect from 6 April 2018 whereby the utilisation of UK trading loss carried forward will be restricted to 50% of UK Group profits exceeding £5.0m. A deferred tax asset is only recognised where it can be shown that it is more than probable that future taxable profits will be available against which the Company can utilise the asset. Subject to specific legislation regarding changes in ownership and the nature of trade, trading loss are available to be either carried forward indefinitely or for a significant time period.

The Company has an unrecognised deferred tax asset on tax loss carried forward as of December 31, 2019 of approx. \$91 million (2018: \$46 million). UK trading loss are available to be carried forward indefinitely. Legislation has been introduced with effect from April 1, 2017 whereby loss arising after April 1, 2017 can be set against total profits of the company. The amount of Group total profits that can be offset by brought forward losses is restricted to the first £5,000,000 of profits, and an additional 50% of profits that exceed £5,000,000. A net deferred tax asset is only recognised where it can be shown that it is probable that future taxable profits will be available against which the Company can utilise the asset.

There is no income tax relating to the components presented within other comprehensive loss.

Farfetch UK Limited
Notes to the financial statements (continued)
For the year ended 31 December 2019

10. Business Combination

On 28 May 2019, the Company, through its subsidiary Farfetch Shanghai, acquired 100% of the business of Toplife, a luxury e-commerce platform, from JD Group. The transaction is being treated as a business combination. The primary reason for the acquisition was to leverage the JD App Level 1 Access Button (Farfetch has replaced the Toplife JD Store with level 1 access being a prominent position on JD App's homepage) to further enhance the Company's marketplace business.

Details of the purchase consideration, the assets acquired, and goodwill are as follows (in thousands):

	2019 \$'000
Cash consideration	48,503
Total purchase consideration	48,503

No cash or cash equivalents were acquired.

Details of the purchase price allocation is below (in thousands):

	2019 \$'000
Tangible assets	17
Inventory	131
Current liabilities	(1,605)
Level 1 access button	9,058
Total net identified assets acquired	7,601
Goodwill	40,902
Net assets acquired	48,503

Goodwill consists of expected synergies to be achieved by combining the operations of Toplife with the Company, as well as other intangible assets that do not qualify for separate recognition under IFRS 3. Goodwill is not expected to be deductible for tax purposes. The level 1 access is amortized over four years.

Acquisition-related costs totaled \$686,000 and are included in selling, general and administrative expenses. These costs were recorded in the year ending 31 December 2019.

Farfetch UK Limited
Notes to the financial statements (continued)
For the year ended 31 December 2019

11. Intangible Assets

	Goodwill	Customer relationships	Trademarks and domain names	Development costs	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Cost					
At 1 January 2019	7,509	1,181	3,056	83,383	95,129
Additions	40,902	-	9,058	68,012	117,972
At 31 December 2019	48,411	1,181	12,114	151,395	213,101
Accumulated Amortisation					
At 1 January 2019	-	(608)	(439)	(23,596)	(24,643)
Amortisation for year	-	(393)	(1,627)	(25,829)	(27,849)
At 31 December 2019	-	(1,001)	(2,066)	(49,425)	(52,492)
Net book value					
At 31 December 2019	48,411	180	10,048	101,970	160,609
At 31 December 2018	7,509	573	2,617	59,787	70,486

Development costs relate to capitalised development expenses relating to development of the Marketplace. Included within Development costs is \$1,156,000 of assets that are under the course of construction (2018: \$205,000). Amortisation of this will commence once they have been brought into use. Goodwill and intangible assets are tested for impairment annually as at December 31 and when circumstances indicate that the carrying value may be impaired. Goodwill is not amortised in accordance with paragraph 22 of Schedule 1 to the Regulations. For the purpose of giving a true and fair view, the Company reassessed the conclusions that were made with regards to the impairment of goodwill and other intangible assets during the previous reporting periods in accordance with IAS 36 - Impairment of Assets. As of 31 December 2019, management confirmed there is no trigger indicated which may indicate the impairment loss shall occur.

Farfetch UK Limited
Notes to the financial statements (continued)
For the year ended 31 December 2019

12. Property, plant and equipment

	Leasehold improvements	Fixtures and fittings	Computer equipment	Assets in the course of construction	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Cost					
At 1 January 2019	7,078	940	783	1,137	9,938
Additions	2,372	1,429	563	-	4,364
Transfer	1,137	-	-	(1,137)	-
At 31 December 2019	10,587	2,369	1,346	-	14,302
Accumulated Depreciation					
At 1 January 2019	(1,735)	(382)	(530)	-	(2,647)
Charge for year	(1,108)	(362)	(236)	-	(1,706)
Foreign exchange movements	251	(14)	(5)	-	232
At 31 December 2019	(2,592)	(758)	(771)	-	(4,121)
Net book value					
At 31 December 2019	7,995	1,611	575	-	10,181
At 31 December 2018	5,343	558	252	1,137	7,291

Depreciation charge of £1,706,000 and favorable foreign exchange movements of \$232,000 due to functional currency change are both charged in selling, general and administrative expenses in 2019.

Farfetch UK Limited
Notes to the financial statements (continued)
For the year ended 31 December 2019

13. Investments

	Equity investments \$'000	Shares in group undertakings \$'000	Total \$'000
Cost			
At 1 January 2019	572	54,216	54,788
Additions	9,862	68,085	77,947
Impairment	(5,100)	-	(5,100)
Net book value at 31 December 2019	5,334	122,301	127,635
Cost			
At 1 January 2018	261	54,202	54,463
Additions	306	14	320
Foreign exchange movement	5	-	5
Net book value at 31 December 2018	572	54,216	54,788

Direct Holdings

Number	Name	Country of incorporation	% Equity interest		Principal activities
			2019	2018	
1	Farfetch Portugal Unipessoal Lda	Portugal	100	100	Back office support
2	Farfetch HK Holdings Limited	Hong Kong	100	100	E-commerce services
3	Browns (South Molton Street) Limited	England & Wales	100	100	Retail
4	Farfetch Japan Co. Limited	Japan	100	100	E-commerce services
5	Farfetch Store of the Future Limited	England & Wales	100	100	E-commerce services
6	Farfetch Finance Limited	England & Wales	25	25	Finance
7	Fashion Concierge UK Limited	England & Wales	100	100	E-commerce services
8	Farfetch Black & White Limited	England & Wales	100	100	E-commerce services
9	Farfetch International Limited	Isle of Man	80	100	Holding company
10	Farfetch Mexico, S.A. de C.V.	Mexico	99	99	Back office support
11	Farfetch India Private Limited	India	100	100	Back office support
12	Farfetch Italia S.R.L	Italy	100	100	Back office support
13	Farfetch Australia Pty Ltd	Australia	100	100	Back office support
14	Farfetch Russia LLC	Russia	100	-	Back office support

Farfetch UK Limited
Notes to the financial statements (continued)
For the year ended 31 December 2019

Indirect Holdings

Number	Name	Country of incorporation	% Equity interest		Principal activities
15	Farfetch China (HK Holdings) Limited (subsidiary of 2)	Hong Kong	100	100	Holding company
16	Farfetch HK Production Limited (subsidiary of 2)	Hong Kong	100	100	E-commerce and marketing
17	Fashion Concierge HK Limited (subsidiary of 2)	Hong Kong	100	100	E-commerce and marketing
18	Farfetch (Shanghai) E-Commerce Co., Limited (Subsidiary of 13)	China	100	100	Marketing
19	LASO Co Limited (subsidiary of 4)	Japan	100	100	E-commerce and marketing
20	F&C Fashion Concierge, LDA (subsidiary of 7)	Portugal	100	100	E-commerce services
21	Farfetch Middle East FZE (subsidiary of 9)	UAE	80	100	Back office support

The additions under shares in group undertakings in 2019 are additional capital contributions in Farfetch China (HK Holdings) Limited, Farfetch HK Holdings Limited and Farfetch Portugal Unipessoal Lda.

Dream Assembly is Farfetch's accelerator program for commerce and fashion technology start-ups, which provides access to mentorship, networking and support. It is designed to accelerate the growth of these start-ups, ensure Farfetch is working with the brightest innovators, and identify potential new partners for Farfetch. The selected startups will receive investments in a convertible note to help cover operating costs and expenses. As of December 31, 2019, Farfetch UK Limited invested \$3,375,129 in start-up Didimo Inc as part of the Dream Assembly program. Didimo has brought the company's total seed financing to more than \$8 million. Farfetch had three cohorts of the program and as of December 31, 2019, \$842,000 was invested in startups. Farfetch Limited does not exercise control over Didimo Inc or other invested startups.

The Company recognised a \$5,000,000 loss on impairment of investments on Moodist carried at fair value through P&L, representing 100% impairment of this investment. The Company also impaired 100% of its investment of \$100,000 in TeTe-a-TeTe which is reflected in OCI through the impairment loss on investments.

Farfetch Russia LLC was incorporated on 4 February, 2019. Farfetch UK Limited owns 100% of the entity.

Farfetch India Private Limited was incorporated on 10 April, 2018. Farfetch UK Limited owns 99.99% of the entity and Farfetch.com Limited owns 0.01% of the equity.

Farfetch Italia S.R.L. was incorporated on 17 October, 2018. Farfetch UK Limited owns 100% of the entity.

Farfetch Australia Pty Ltd was incorporated on 26 October, 2018. Farfetch UK Limited owns 100% of the entity.

Farfetch Middle East FZE was incorporated on 11 June, 2018. Farfetch International Limited owns 100% of the entity.

Farfetch Concierge HK Ltd was incorporated on 26 October, 2018. Farfetch HK Holding Limited owns 100% of the entity.

Farfetch Black & White Limited was incorporated on 3 October, 2017 as a wholly owned subsidiary by Farfetch UK Limited. In 2019, as part of an internal reorganisation of its business, the Company transferred its business to Farfetch Black & White Limited. As a result, the Company transferred its rights and obligations under the contract to Farfetch Black & White Limited as part of the business transfer. Please refer to note 27 "Impact of the novation process of Farfetch Black & White Limited on the Company" for more details.

Farfetch UK Limited
Notes to the financial statements (continued)
For the year ended 31 December 2019

Registered addresses of subsidiary undertakings by company number:

Company number	Registered address
1, 20	Rua da Lionesa, nr. 446, Edificio G12 4465-671 Leça do Balio, Portugal
2,15,16,17	402 Jardine House, 1 Connaught Place, Central, Hong Kong
3, 5, 7, 8	The Bower, 211 Old Street, London EC1V 9NR, United Kingdom
4	8F, Jingumae Tower Building, 1-5-8, Jingumae, Shibuya-ku Tokyo Japan 150-0001
6	Monmouth House, Westbourne Grove, London, W2 4UL, United Kingdom
9	Grosvenor House, 66-67 Athol Street, Douglas, IM1 1JE, Isle Of Man
10	Avenida Insurgentes Sur No. 1605 Piso 15, Módulo 3, Col. San José Insurgentes, Del. Benito Juárez, C.P. 03900
11	333, 3rd Floor, Devika Tower, 6, Nehru Place New Delhi South Delhi DL 110019, India
12	Milano (MI) Via Tortona, 25 CAP 20144, Italy
13	Suite 12, Level 12 37 Bligh Street Sydney NSW 2000, Australia
14	14 Stolesnikov Lane, 3rd Floor, Premises 2, Moscow 107031, Russian Federation
19	8F, Jingumae Tower Building, 1-5-8, Jingumae, Shibuya-ku Tokyo Japan 150-0001
18	Room 302-09, 3rd floor, No 211, North Fute Road, Shanghai, China
21	Plot No. B34BS22, PO Box 18060, Jebel Ali Free Zone, Dubai, UAE

14. Trade and other receivables

	2019 \$'000	2018 \$'000
Non-current		
Other receivables	5,823	5,672
Amounts owed from group undertakings	115,639	2
	121,462	5,674
Current		
Trade receivables	3,720	124
Other receivables	55,631	53,037
Prepayments and accrued income	4,676	4,175
VAT	5,283	4,345
Derivative financial instruments	2,983	255
Amounts owed from group undertakings	316,014	238,983
	388,307	300,919

Current amount owed from group undertakings are repayable on demand and non-interest bearing. Non-current amounts owed from group undertakings result from intercompany loans arrangements. In 2019, there are three intercompany loans with interest terms: the loan to Farfetch US Holdings Inc is effective from 04 January, 2019 with a fixed interest of 9.1% and repayable on or before December 31, 2028; the loan to Stadium Enterprise LLC is effective from 04 January, 2019 with a variable rate of 5.35% above London interbank offered 12-months rates (LIBOR) and repayable on or before December 31, 2028; the interest free loan to Farfetch (Shanghai) E-commerce Co. Ltd is effective from 01 August, 2019 with an effective interest rate of 5.23% and repayable on July 15, 2024. The directors consider that the carrying amount of trade and other receivables approximates to their fair value. The directors consider the maximum credit risk at the balance sheet date is equivalent to the carrying value of trade and other receivables.

15. Inventories

	2019 \$'000	2018 \$'000
Finished goods	2,340	1,264

The total cost of inventory recognised as an expense was \$317,000 (2018: \$1,703,000).

Farfetch UK Limited
Notes to the financial statements (continued)
For the year ended 31 December 2019

16. Cash and cash equivalents

	2019 \$'000	2018 \$'000
Cash and cash equivalents	151,894	1,011,973

In 2019, cash and cash equivalents have \$14,639,000 (2018: \$238,544,000) as Cash, \$5,415,000 (2018: \$13,838,000) as Cash Collateral, \$28,080,000 (2018: \$16,261,000) as Payments Service Providers, \$99,362,000 (2018: \$739,330,000) as Money Market Fund; and \$4,398,000 (2018: \$4,000,000) as Short-Term Deposits.

17. Share capital

Ordinary shares issued and fully paid

	Class	Par value \$	2019 \$'000	2018 \$'000
1000 ordinary shares (2018: 1001 ordinary share)	Ordinary	1.27	1.27	1.27

On 28, December 2018, there was an intercompany loan from the parent Company to the Company, which amounted to \$696,154,000. On the same day, to settle a partial debt amount of \$546,000,000, the Company issued 1000 ordinary shares for 1 GBP (1.27 USD) (par value).

18. Reserves

	Warrant reserve \$'000	Share based payments \$'000	Cash flow hedge reserve \$'000	Investment revaluation reserve \$'000	Total other reserve \$'000
At 1 January 2019	742	75,098	-	-	75,840
Share based payments - equity settled	-	59,530	-	-	59,530
Warrant exercised	(742)	-	-	-	(742)
Impairment loss on investments	-	-	-	(100)	(100)
Movement in cash flow hedge reserve	-	-	(3,277)	-	(3,277)
At 31 December 2019	-	134,628	(3,277)	(100)	131,251

	Warrant reserve \$'000	Share based payments \$'000	Cash flow hedge reserve \$'000	Investment revaluation reserve \$'000	Total other reserve \$'000
At 1 January 2018	742	54,376	-	-	55,118
Share based payments - equity settled	-	20,722	-	-	20,722
At 31 December 2018	742	75,098	-	-	75,840

The warrant reserve represents the cumulative expense of the shares to be issued where the Company has issued warrants. On exercise, the cumulative warrant expense is reclassified to accumulated loss. During 2019, all the warrants were exercised.

The share based payments reserve represents the Company's cumulative equity settled share option expense.

The cash flow hedge reserve is used to recognise the effective portion of gains or loss on derivatives that are designated and qualify as cash flow hedges.

The investments of the company are comprised of minor equity interests and convertible loan notes, of which \$100,000 impairment carried at fair value with charges in fair value recognised within other comprehensive income.

Farfetch UK Limited
Notes to the financial statements (continued)
For the year ended 31 December 2019

19. Trade and other payables

	2019 \$'000	2018 \$'000
Non-current		
Amounts owed to group undertakings	99	-
	99	-
Current		
Trade payables	155,449	81,429
Other payables	3,537	-
Amounts owed to group undertakings	498,492	990,262
Social security and other taxes	5,529	2,789
Accruals and deferred income	94,752	49,861
Income tax payable	166	160
Derivatives financial liabilities	5,941	-
	763,866	1,124,501

The amounts owed to group undertakings are the loans from the company's subsidiaries, related parties, and the parent company. The amounts owed to group undertakings are repayable on demand and not interest-bearing.

Farfetch UK Limited
Notes to the financial statements (continued)
For the year ended 31 December 2019

20. Provisions

	Dilapidations provision		Share based payment employment taxes provision		Total	
	2019	2018	2019	2018	2019	2018
				(Restated)		(Restated)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January	784	733	7,425	3,138	8,209	3,871
Additional provision in the year	654	99	7,377	4,287	8,031	4,386
Release of provision in the year	-	-	(4,291)	-	(4,291)	-
Utilised provision in the year	-	-	(4,145)	-	(4,145)	-
Foreign exchange	12	(48)	-	-	12	(48)
At 31 December	1,450	784	6,366	7,425	7,816	8,209

The dilapidations provision reflects the best estimate of the cost to restore leasehold property in line with the Company's contractual obligations. Based on a detailed analysis the Company has estimated a liability of \$1,450,000 (2018: \$784,000). In estimating the liabilities, the Company has made assumptions which are based on past experience. Assuming the leases are not extended, the Company expects the economic outflows to match the contractual end date of Company leases. The Company leases have an average length of eight years with an average of seven years remaining.

The share based payments employment taxes provision reflects the best estimate of the cost to settle employment related taxes on the Group share based payments based on the most recent share price and the number of share options expected to vest where the parent Company has an obligation to settle employment related taxes. The Company has estimated a liability of \$6,366,000 (2018: \$7,425,000).

21. Related party disclosures

The Company has taken advantage of the exemption given by IAS 24 not to disclose transactions between two or more members of the Group as the Company is under control of Farfetch Limited which is the ultimate parent to which it is party to the transactions. Further details are given in note 22.

Platforme International Limited is a related party of J M F Neves. The Company made sales of \$460,000 (2018: \$557,000) to Platforme International Limited. The Company had a \$80,000 payable with Platforme international Limited in 2019 (2018: \$13,000 receivable).

22. Ultimate controlling party

The immediate parent undertaking of the Company is Farfetch Holding plc (formerly Hulk plc), Farfetch.com Limited, a company registered in Isle of Man and owned by Farfetch Limited.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Farfetch Limited. Farfetch Limited prepares consolidated annual financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB. These are filed with the SEC on a form 20-F and can be obtained from farfetchinvestors.com.

The Company's ultimate controlling party is J M F Neves by virtue of holding the majority of voting rights in Farfetch Limited.

Farfetch UK Limited
Notes to the financial statements (continued)
For the year ended 31 December 2019

23. Leases

Operating lease commitments reconciliation to Lease Liabilities as at 1 January, 2019	2019 \$'000
Operating lease commitments disclosed as at 31 December, 2018	41,548
Discounted using the lessor's incremental borrowing rate of at the date of initial application	36,215
Less short-term leases recognised on a straight-line basis as expense	(812)
Lease liabilities recognised as 1 January 2019	35,403
Of which:	
Current lease liabilities	3,460
Non-current lease liabilities	31,943
Lease liabilities recognised as 1 January 2019	35,403

(i) Amounts recognised in the statement of financial position

The balance sheet shows the following amounts relating to leases:

	31 December 2019 \$'000	1 January 2019 \$'000
Right-of-use assets		
Buildings	29,834	34,021
Total Right-of-use assets	29,834	34,021
Lease liabilities		
Current	3,122	3,460
Non-current	29,676	31,943
Total lease liabilities	32,798	35,403

(ii) Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	2019 \$'000	2018 \$'000
Depreciation charge on right-of-use assets		
Buildings	(3,998)	-
Interest expense (included in finance cost)	(978)	-
Expense relating to short-term leases (included in administrative expenses)	(3,493)	-
Expense relating to leases of low value assets that are not shown above as short-term leases (included in administrative expenses)	(21)	-
Future minimum lease payments (undiscounted) as at 31 December 2019 are as follows:		
	2019 \$'000	2018 \$'000
Not later than one year	4,151	5,136
Later than one year and not later than five years	20,463	18,735
Later than five years	12,661	17,677
Total gross payments	37,275	41,548

The company initially applied IFRS 16 at 1 January, 2019. Thus, the comparative future minimum lease payments balances presented are based on IAS 17, while the current year balances are based on IFRS 16.

The practical expedients noted below apply to operating leases under IAS 17 for a lessee. No changes are required under IFRS 16 for finance leases that were previously recognised under IAS 17. Prior to applying any of the practical expedients to its operating leases under IAS 17, the Company completed the following steps:

Farfetch UK Limited
Notes to the financial statements (continued)
For the year ended 31 December 2019

Measured the lease liability at the date of initial application at the present value of the remaining lease payments based on the lessee's incremental borrowing rate over the remaining lease term. Measure the right-of-use (ROU) asset at the value of the lease liability (adjusted for any prepaid or accrued lease payments). Some practical expedients are used in calculation:

IFRS 16 allows a lessee to apply a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment). The Company uses a single discount rate to one type of lease asset.

The Company has used the practical expedient in IFRS 16 that allows a lessee to determine whether a right-of-use asset is impaired through performing an IAS 37 onerous lease assessment. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The entity assumes that existing leases continue to be leases under IFRS 16. It is only required to apply IFRS 16's requirements regarding the identification of leases to contracts entered into (or modified) on or after the date of initial application. The entity has allowed this practical expedient so the entity is not required to incur the costs of detailed reassessments when it is expected that the determination will not change for the vast majority of contracts.

For leases with a remaining term of less than one year at the date of initial application, the lessee may choose to apply the short-term lease exemption in IFRS 16 and expense lease payments rather than recognise an ROU asset and a lease liability at the DOIA. When using the short-term lease exemption, a lessee is required to disclose the amount of lease payments expensed as a result of using this expedient. The Company has taken this exemption and disclosed the amount of lease payment expenses.

24. Financial instruments

Categories of financial instruments

Financial assets

	Amortised cost 2019 \$'000	Amortised cost 2018 \$'000
Current		
Trade receivable	3,720	124
Other receivables	55,631	53,037
Amounts owed from group undertakings	316,014	238,983
Cash and cash equivalents	151,894	1,011,973
Non-current		
Amounts owed from group undertakings	115,639	2
Other receivables	5,823	5,672
Total	648,721	1,309,791
Derivative financial asset	2019 \$'000	2018 \$'000
Foreign current forwards - held at FVTPL	2,983	255
Equity investment	2019 \$'000	2018 \$'000
Equity investment - held at FVOCI	5,335	572

Farfetch UK Limited
Notes to the financial statements (continued)
For the year ended 31 December 2019

Financial liabilities

	Amortised cost 2019 \$'000	Amortised cost 2018 \$'000
Current		
Trade payables	155,449	81,429
Other payables	3,537	-
Amounts owed to group undertakings	498,492	990,262
Non-current		
Amounts owed to group undertakings	99	-
Total	657,577	1,071,691
Derivatives financial liabilities	2019 \$'000	2018 \$'000
Derivatives financial liabilities – held at FVTPL	5,941	-
Put and Call option liabilities - held at FVTPL	56,457	-
	62,398	-

Farfetch UK Limited
Notes to the financial statements (continued)
For the year ended 31 December 2019

25. Share options- equity and cash settled

The Company continues to participate in its parent's equity settled share option plans (section a). The parent introduced a cash settled share option plan in 2018 (section b) which the Company also participated in.

a) Equity settled

Certain employees of the Company participate in the parent company's equity settled share based payment scheme. This is accounted for as equity-settled in the Company's individual financial statements. The scheme/ plans are administered by the parent company which grants the rights to the Company's employees as part of the scheme. The management of the Company do not have the power to grant rights under the scheme autonomously without approval by the parent company.

The share-based payments as at 31 December 2019 are described below:

Type of arrangement	2015 LTIP approved share option plan	2018 LTIP approved share option plan
Date of first grant	9 September 2015	19 September 2018
Number granted	29,491,145	9,007,576
Contractual life	10 years	10 years
Vesting conditions	Varying tranches of options vesting upon defined years of service	Varying tranches of options vesting upon defined years of service

Movements on the share options were as follows:

	2019 units (000)	2018 units (000)
Options at beginning of year	30,412	18,593
Options granted	6,899	13,969
Options exercised	(4,589)	(760)
Options forfeited	(7,766)	(1,390)
	24,956	30,412
Options exercisable at year end	6,746	12,276

Farfetch Limited, the Company's ultimate parent, listed on the New York Stock Exchange via an initial public offering ("IPO") in September 2018. As part of the listing process, Farfetch Group was restructured with Farfetch Limited, a newly incorporated legal entity becoming the ultimate parent of the Farfetch Group. Prior to IPO, Farfetch.com Limited was the previous ultimate parent of Farfetch Group. Shareholders and option holders of Farfetch.com limited exchanged their shares and share options in Farfetch.com Limited for Farfetch Limited shares immediately prior to the IPO. These were exchanged on a one for five basis. For share option holders, the impact of this one for five share split is also reflected in the exercise prices which have been adjusted and converted into U.S dollars using the spot rate at the time of the IPO. The Company has therefore represented the share options disclosures reflecting this.

b) Cash settled

Certain employees of the Company entered contracts with the parent Company in the parent's cash settled share based payment scheme where they are granted share appreciation rights ("SAR"s) that require the Company to function as a vehicle to pay the intrinsic value of the SAR to the employee at the date of exercise. The parent Company has recorded liabilities of \$503,000 in 2019 and (2018: \$1,669,000).

The fair value of the SARs is determined by using the Black Scholes model using the same assumptions noted in the above table for the Company's equity-settled share-based payments. The parent Company recognised a fair value loss of \$2,228,000 in 2019 (2018: revaluation gain of \$280,000). The total intrinsic value at 31 December 2019 was \$338,000 (2018: \$2,275,000).

Farfetch UK Limited
Notes to the financial statements (continued)
For the year ended 31 December 2019

26. Change of functional and presentation currency

On 1 January 2019, the functional currency of Farfetch UK Limited was changed from Sterling to U.S dollar. This was a result of a gradual change in the primary economic environment in which Farfetch UK Limited operates driven by the growth of consumers where the Company receives U.S. Dollars in settlement. This is combined with an increase in costs influenced by movements in the U.S dollar. The Group's corporate treasury function continually monitors the Group's exposure to foreign currencies movements. Following the gradual change described above, the Group determined that, whilst Farfetch UK Limited is exposed to movements in several key currencies including U.S dollars, euros and pound sterling, on reviewing Farfetch UK Limited's expected receipts and expenses, U.S dollars had become the dominant currency from January 2019. This has hence triggered a change in functional currency.

The Company changed its presentation currency from Sterling to U.S dollar with retrospective application on comparative figures according to IAS 8 and IAS 21. The change was made to reflect that U.S dollar is the predominant currency in the Company.

Comparison figures in the statement of comprehensive income and statement of changes in equity have been re-presented to reflect the currency rates of transactions in foreign currencies at the date of the transactions.

The different components of assets and liabilities in Sterling are translated at the Sterling/U.S.dollar closing rate applicable at the end of the reporting period.

The change in presentation currency has not impacted the measurement of assets, liabilities, equity or any ratios between these components, such as debt to equity ratios. However, ratios that combine elements of profit and loss and the statement of financial position, may change when recalculated in U.S dollar as a result of different currency rates being applied to elements of profit and loss (currency rates at the date of the transactions) and the statement of financial position (closing rates) respectively.

Translation adjustments and cumulative translation adjustments have been presented as if the Company had used U.S dollar as the presentation currency also for the comparative figures. The Company has no material effects relating to reclassification of accumulated currency translation adjustments from equity to profit and loss in the comparative figures.

27. Impact of the novation process of Farfetch Black & White Limited ("Farfetch B&W") on the Company

Throughout financial year 2018, a novation process was executed for all Farfetch B&W agreements to be moved from the Company and Farfetch US LLC to Farfetch B&W with an effective date of 1 January 2018. This was part of an internal re-organisation within the Farfetch Group and the transfer of the business from the UK and US entities to Farfetch B&W, a UK based and tax resident. In addition, all new Farfetch B&W agreements were in the name of Farfetch B&W. All the revenues and costs continued to be booked in the Company and Farfetch US LLC, and all costs allocated to Farfetch B&W in other companies continued to be recharged to the Company under transfer pricing arrangements.

Due to the change of functional and presentation currency as disclosed in note 26, a translation process took place to restate 2018 statutory accounts from Sterling to U.S dollar, which is shown in the table below. Financial results from Farfetch B&W in 2018 and 2019 are also translated from Sterling to U.S dollar. The exchange rates adopted in the translation process are consistent with the Company's Treasury.

During the financial year 2019 this was corrected. The \$4,228,000 loss related to Farfetch B&W's operation needs to be removed from the year 2018 financial statements.

28. Share based payment employment tax provision restatement

Share based payment options are contractually binding between local employees and the Parent company (Farfetch.com). Farfetch UK Limited does not own the final legal obligation to the share options. However, relevant options transactions are recorded in the Company's accounts since the Company is functioning as an

Farfetch UK Limited
Notes to the financial statements (continued)
For the year ended 31 December 2019

intermediary. Therefore, it is expected to exercise the push-down of employment tax provision from the Parent company to Farfetch UK Limited in both 2018 and 2019. The additional provision for 2018 was not recognised in financial year 2018, resulting in the restatement in the comparative year.

The impact of the items to be restated in notes 26, 27 and 28 for the year ended 31 December 2018 for both the Statement of profit or loss and Statement of financial position are shown as follows. Intercompany balances have been reclassified in the comparative year with current year presentation.

Farfetch UK Limited
Statement of profit or loss
Years Ended 31 December, 2018

	Previously reported	Post translation	Carve-out adjustment	SBP NI provision adjustment	Restated
	2018 £'000	2018 \$'000	2018 \$'000	2018 \$'000	2018 \$'000
Revenue	369,381	492,504	(9,104)	-	483,400
Cost of sales	(160,586)	(214,113)	2,347	-	(211,766)
Gross profit	208,795	278,391	(6,757)	-	271,634
Selling, general and administrative expenses	(295,404)	(393,870)	10,985	(4,492)	(387,377)
Operating Loss	(86,609)	(115,479)	4,228	(4,492)	(115,743)
Loss before tax	(74,020)	(98,693)	4,228	(4,492)	(98,957)
Loss after tax	(74,180)	(98,906)	4,228	(4,492)	(99,170)

Farfetch UK Limited
Notes to the financial statements (continued)
For the year ended 31 December 2019

Farfetch UK Limited
Statement of financial position
As of 31 December 2018

	Previously reported	Post translation	Carve-out adjustment	SBP NI provision adjustment	Intercompany Reclassification	Restated
	2018 £'000	2018 \$'000	2018 \$'000	2018 \$'000	2018 \$'000	2018 \$'000
Non-current assets						
Trade and other receivables	28,947	36,731	-	-	(31,057)	5,674
Total non-current assets	130,087	169,296	-	-	(31,057)	138,239
Current assets						
Trade and other receivables	77,395	98,207	4,228	-	198,484	300,919
Total current assets	875,911	1,111,444	4,228	-	198,484	1,314,156
Total Assets	1,005,998	1,280,740	4,228	-	167,427	1,452,395
Liabilities and Equity						
Non-current liabilities						
Trade and other payables	233,138	295,829	-	-	(295,829)	-
Provisions	2,929	3,717	-	4,492	-	8,209
Total non-current liabilities	236,067	299,546	-	4,492	(295,829)	8,209
Current liabilities						
Trade and other payables	542,578	661,245	-	-	463,256	1,124,501
Total current liabilities	542,578	661,245	-	-	463,256	1,124,501
Total liabilities	778,645	960,791	-	4,492	167,427	1,132,710
Equity						
Accumulated loss	(240,994)	(322,650)	4,228	(4,492)	-	(322,914)
Total equity	227,353	319,949	4,228	(4,492)	-	319,685
Total equity and liabilities	1,005,998	1,280,740	4,228	-	167,427	1,452,395

In addition to the error correction, during the year, the Company has changed the presentation for Amounts owed from group undertakings and Amounts owed to group undertakings to gross up the amounts. Comparative balances were reclassified to conform with current year's presentation as presented above.

29. Events after the reporting year

For COVID-19 consideration, please refer to the Strategic Report for more disclosure. Management confirms that it is a non-adjusting post balance sheet event.

There are no other events after the reporting period.