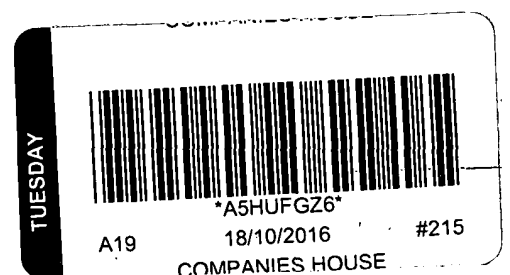


Company Number : 3883868

BUYAGIFT Plc

Report and Financial Statements

For the year ended 30 April 2016



BUYAGIFT Plc

Annual report and financial statements for the year ended 30 April 2016

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Directors

D Mountain
S Abbas
P Stérin
J Perkins
P Boccon-Liaudet

Registered office

Kingmaker House
15 Station Road
New Barnet
Hertfordshire
EN5 1NZ

Registered number

3883868

Independent Auditors

PricewaterhouseCoopers LLP
10 Bricket Road
St Albans
Herts
AL1 3JX

Strategic report for the year ended 30 April 2016

The directors present their strategic report for the year ended 30 April 2016.

Financial key performance indicators

The directors are pleased to report a strong performance by the company this year with turnover rising 8.6% to £19.3m.

Profitability as shown in the Statement of Comprehensive Income is reported as profit before tax for the year of £7m, an increase of £6.7m versus last year's profit before tax of £0.3m. The full results of the company are set out on page 9.

A key strategy to achieve this growth is a focus on making on-going improvement for our team, our suppliers and our customers. We continue to do what we can to provide an inspirational working environment for our team, profitable incremental business for our suppliers and a fantastic value and service proposition for our customers. This approach is helping to ensure we develop increasing loyalty from all key stakeholder groups. We are confident that this will ultimately lead to increased profitability for our shareholders. Results to date are validating this approach.

To ensure we offer an industry leading experience selection, over the course of the year we made significant improvements to the range of products that we offer on behalf of our suppliers. As a result of the business stability shown by our cash reserves and the significant volume of new customers we have a track record for providing, we continue to attract top name suppliers who are keen to sell their experiences through our web site.

The Company continues to be in a strong cash position, with cash held at the end of the year of £30.1m against £25.7m previous year. There remains no debt in the business, so there is no exposure to any potential increases in lending rates.

Principal risks and uncertainties

Buyagift Plc is predominantly an e-commerce business and as such we need to ensure we remain at the forefront of on-line marketing developments. The pace of change in e-commerce is rapid and care must be taken to ensure our customers have a faultless user experience no matter which device they chose to use to access our store.

The gift voucher market continues to remain highly competitive and price driven, with many customers seeking the best deals and offers available. As a result we need to constantly monitor competitor pricing and product portfolios to ensure market share is not lost. This risk is mitigated to some extent by continually evolving our product range and offering these products at market leading prices. Ultimately, there should never be a reason for a potential customer to make a purchase from one of our competitors.

The company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by running credit checks on new customers, regularly reviewing the credit limit of existing customers and by monitoring customer receipts against agreed credit terms.

This report was approved by the Board and signed on its behalf by:



D Mountain
Director

21st September 2016

Report of the directors for the year ended 30 April 2016

The directors present their report together with the audited financial statements for the year ended 30 April 2016.

Results and dividends

The results for the year are set out on page 9.

The company paid a dividend of 27p per share (2015: 24p), amounting to £1,350,000 during the year (2015: £1,200,000). In the year, the company changed its accounting policy for revenue recognition. The prior period results and financial position have been restated accordingly. See Note 22 for further detail.

Principal activities

The principal activity of the company continued to be that of the sale of gift vouchers through the internet. The business is predominantly based in the UK with subsidiaries in France, Spain and Italy.

The company acquired the trade of the European subsidiaries during the year for consideration of £295,816.

Future developments of the company

The company continues to develop the range of gift experiences offered.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

D Mountain
S Abbas
P Stérin
J Perkins
P Boccon-Liaudet

Financial risk management

Financial risk management of the company has been disclosed in within the strategic report.

Disclosure of information to auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware, at the date of approving this report.

Research and development

The company undertakes research and development activities. In the judgement of the directors where no future benefits arises, the amounts are written off as a charge in the statement of comprehensive income. Where long term benefits are envisaged, then the amounts are capitalised and amortised over three years.

Charitable contributions

The company made charitable contributions during the year amounting to £19,306 (2015 : £21,232).

Creditor payment policy

It is the firm's policy to negotiate terms with its suppliers and to ensure that they know the terms on which payment will be made when business is agreed. It is the directors' policy to abide by such terms. The company does not follow any specified code or standard practice due to the diverse nature of its supplier base.

Going concern

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, and its exposure to price, credit, liquidity and cash flow risk are described in the Strategic Report on page 2.

The company has considerable financial resources together with long-term arrangements with a number of customers and suppliers. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the continuing uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Report of the directors and the financial statements in accordance with applicable law and regulations.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 and loss of the company for that period. In preparing these financial statements, the directors are required to :

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

Statement of directors' responsibilities (continued)

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. They 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.

This report was approved by the Board and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'D. Mountain', with a long, wavy horizontal line extending to the right.

**D Mountain
Director**

21st September 2016

Report on the financial statements

Our Opinion

In our opinion, Buyagift Plc's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 April 2016 and of its profits for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 30 April 2016;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Report of the Directors. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 4 and 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with 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.

What an audit of financial statements involves

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

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

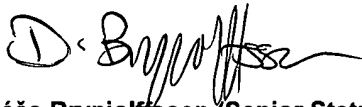
We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

Independent auditor's report to the members of Buyagift Plc (continued)

What an audit of financial statements involves (continued)

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

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and the Report of the Directors, we consider whether those reports include the disclosures required by applicable legal requirements.



Dáša Brynjolfsson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans

22 September 2016

BUYAGIFT Plc**Statement of Comprehensive Income for the year ended 30 April 2016**

	Note	30 April 2016 £	Restated 30 April 2015 £
Turnover	3	19,307,161	17,782,031
Cost of sales		(4,393,728)	(5,358,353)
Gross profit		14,913,433	12,423,678
Distribution and administrative costs	4	(8,230,557)	(12,489,354)
Operating profit / (loss)	6	6,682,876	(65,676)
Interest receivable and similar income	7	308,028	329,721
Profit on ordinary activities before taxation		6,990,904	264,045
Tax on profit / (loss) on ordinary activities	9	(1,225,059)	(1,308,547)
Total comprehensive income / (expense) for the financial year		5,765,845	(1,044,502)

The results for the year ended 30 April 2015 have been restated for a change in accounting policy.
See Note 22 for further details.

BUYAGIFT Plc
Balance Sheet as at 30 April 2016

	Note	30 April 2016	Restated 30 April 2015
		£	£
Fixed Assets			
Intangible assets	10	625,818	5,336
Tangible assets	11	241,232	285,043
		<u>867,050</u>	<u>290,379</u>
Current Assets			
Stocks	13	99,982	82,734
Debtors	14	1,049,772	631,399
Cash at bank and in hand		<u>30,082,258</u>	<u>25,713,736</u>
		31,232,012	26,427,869
Creditors : amounts falling due within one year	15	(19,927,225)	(17,676,633)
Net current assets		<u>11,304,787</u>	<u>8,751,236</u>
Total assets less current liabilities		<u>12,171,837</u>	<u>9,041,615</u>
Provision for liabilities	16	(237,844)	(1,523,467)
		<u>(237,844)</u>	<u>(1,523,467)</u>
Net assets		<u>11,933,993</u>	<u>7,518,148</u>
Capital and reserves			
Called up share capital	17	53,500	53,500
Share premium account		328,375	328,375
Profit and loss account		11,552,118	7,136,273
Total Shareholders' funds		<u>11,933,993</u>	<u>7,518,148</u>

The financial position as at 30 April 2015 has been restated for a change in accounting policy.
See Note 22 for further details.

The financial statements were approved by the Board on 21st September 2016 and signed on its behalf by:



D Mountain
Director

BUYAGIFT Plc

Statement of Changes in Equity for the year ended 30 April 2016

	Note	Called up share capital £	Share premium account £	Profit and loss account £	Total shareholders' funds £
At 1 May 2015 - restated	22	53,500	328,375	7,136,273	7,518,148
Total comprehensive income for the financial year		-	-	5,765,845	5,765,845
Dividends declared and paid		-	-	(1,350,000)	(1,350,000)
At 30 April 2016		<u>53,500</u>	<u>328,375</u>	<u>11,552,118</u>	<u>11,933,993</u>

	Note	Called up share capital £	Share premium account £	Profit and loss account £	Total shareholders' funds £
At 1 May 2014 - as originally published		52,500	328,375	4,254,998	4,635,873
Change in accounting policy	22	-	-	5,125,777	5,125,777
At 1 May 2014 - restated		<u>52,500</u>	<u>328,375</u>	<u>9,380,775</u>	<u>9,761,650</u>
Total comprehensive expense for the financial year - restated		-	-	(1,044,502)	(1,044,502)
Dividends declared and paid		-	-	(1,200,000)	(1,200,000)
Arising on share issues		1,000	-	-	1,000
At 30 April 2015 - restated		<u>53,500</u>	<u>328,375</u>	<u>7,136,273</u>	<u>7,518,148</u>

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006.

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

- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - paragraph 73 (e) of IAS 16 Property, plant and equipment
 - 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)
 - 10 (f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements or when it reclassifies items in its financial statements,
 - 6 (statement of compliance with all IFRS)
 - 38A (requirement for minimum of two primary statements, including cash flow statements)
 - 38B-D (additional comparative information)
 - 40A-D (requirements for a third statement of financial position)
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures)
- IAS 7, 'statement of cash flows'
- Paragraph 17 of IAS 24 'Related party disclosures' (key management compensation)
- The requirements of IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

Change in accounting policy

Revenue recognition for the year ended 30 April 2015 was based on the following:

- Agents commission on voucher sales was calculated on the basis of the average commission rate of the leisure activity providers listed in the gift, and was recognised in revenue upon activation of the gift experience, subject to a provision for refunds within 60 days as stipulated in the terms of sale.
- Income from the non-redemption of any gift experience voucher was recognised upon expiry.

In order to improve the quality of its financial reporting and to align the presentation of the financial statements with management information, the Company decided to change its accounting policy. The new method adopted for the recognition of revenue is as follows:

- Agents commission was calculated on the basis of the average commission rate of the leisure activity providers listed, and was recognised in revenue upon activation of the gift experience, subject to a provision for refunds within 60 days as stipulated in the terms of sale.
- Income from the non-redemption of any gift experience voucher is calculated based on observed behavioural statistics and recognised at the same time as agents commission, i.e., when the gift experience is activated.

1 Accounting policies (continued)***Change in accounting policy (continued)***

This change was mainly prompted by the Company's many years of knowledge and experience of consumer behaviour, and particularly its historical non-use statistics. This new method for recognising proceeds from unused gifts also falls within the scope of revenue recognition under IFRS 15 "Revenue from Contracts with Customers" rather than the derecognition of financial liabilities under IAS 32. Furthermore, it is consistent with the definitive interpretation set down by the IFRS Interpretations Committee on 22 March 2016 on the derecognition of financial liabilities on prepaid cards giving cardholders rights to goods and services. In concluding that liabilities should be derecognised at the expiry date in accordance with IAS 32, the IFRS Interpretations Committee specified that this treatment only applied to prepaid cards that would be redeemed for goods and services to a stated monetary amount. This does not apply in the case of Buyagift Plc.

In light of the above, the Company considers non-use to be a key factor in the business' economic model, and should be recognised in revenue in the same way as commission.

The change in accounting policy was made in compliance with IAS 8. Its impacts are set in note 22.

Basis of consolidation

The Company is exempt by virtue of s400 Companies Act 2006 from the requirements to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

Revenue recognition

Turnover represents amounts received for goods and services, net of VAT and trade discounts. The company recognises its voucher revenue as an agent at the point of sale, subject to a provision for refunds within 60 days of sales as stipulated in the terms of sale and subject to an estimate of the vouchers which will expire never having been redeemed by the customer. The refund provision and non-redemption estimates are trued-up to actual information as it is available.

Turnover for tangible goods and similar transactions, which represents only a small minority of total turnover, are recognised as a principal and at point of delivery, being the amounts received for goods and services net of VAT and trade discounts.

Cash at hand and in bank

Included within cash is an amount of £3m deposited with HSBC Merchant Services LLP as security for the card processing facility.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Software equipment	Straight line	33%
Office furniture	Straight line	33%
Main system software	Straight line	33%

The carrying value of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Valuation of investments

Investments held as fixed assets are stated at cost subject to any provision for permanent diminution in value.

1 Accounting policies (continued)

Business combinations

The company applies the acquisition method of accounting for business combinations. The identifiable assets, liabilities and contingent liabilities are recognised at fair value. Acquisition costs are expensed as incurred. Any difference between consideration paid and the fair value of net assets acquired is recognised as goodwill.

Stocks

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Foreign currency

Foreign currency transactions are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange ruling at the balance sheet date. Any differences are taken to the Statement of Comprehensive Income.

Intangible fixed assets and amortisation

- Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment. Goodwill is not amortised.

- Research and development

Research expenditure is written-off to the profit and loss in the year in which it is incurred. Development expenditure is written-off in the same way, unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, directly attributable costs are capitalised and amortised over 3 years. Directly attributable costs include the software development employee costs and any associated overheads.

- Website domain expenditure

Acquired website domain expenditure is capitalised at cost and amortised over the useful economic life of the asset, up to a maximum of 5 years.

Provisions for liabilities

A provision is recognised when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

In December 2010 the company introduced a long term incentive plan for certain employees. This has been accounted for in accordance with IAS37 with the estimated benefit apportioned over the anticipated life of the plan.

Deferred taxation

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Operating lease agreements

Rentals payable under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

1 Accounting policies (continued)

Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the Statement of Comprehensive Income in the period in which they become payable.

2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Revenue Recognition

As outlined above, the company's revenue for voucher sales is recognised as an agents commission at the point of sale to the end customer. The agents commission is the net of the gross face value of the voucher less the payment passed on by the company to the experience provider. Should a voucher expire without being redeemed there is no payment made to an experience provider and the full value of the voucher is revenue for the company. The company's revenue is therefore directly affected by the value of payments made to its experience providers, which in turn is affected by the choice of experience the end customer makes when redeeming their voucher. The revenue is also affected by the percentage of customers redeeming their vouchers and by the percentage of vouchers that expire before their use. When recognising revenue at the point of sale, the company must therefore estimate the value of the payment to be made to the experience providers for vouchers sold and also what proportion of vouchers will never be redeemed. The company takes the past performance of both aspects into account to estimate the level of payment it will make in the future to its experience providers. These estimates are trued-up once actual redemption or non-redemption has occurred.

3 Turnover

	30 April 2016 £	Restated 30 April 2015 £
Geographical locations:		
United Kingdom	19,307,161	17,782,031

4 Distribution and administrative costs

	30 April 2016 £	30 April 2015 £
Distribution costs	126,591	126,930
Administrative expenses	8,103,966	12,362,424
	8,230,557	12,489,354

Notes forming part of the financial statements for the year ended 30 April 2016 (continued)

5 Employees

	30 April 2016 £	30 April 2015 £
Staff costs for employees, including directors, consist of:		
Wages and salaries	3,867,315	2,872,016
Social security costs	405,784	287,066
Other pension costs	56,967	42,337
	4,330,066	3,201,419

Included in the wages and salaries cost above is a charge of £154,694 (2015: credit of £552,194) relating to the movement in the provision for the long term incentive plan (see note 16).

The figures above exclude £387,200 (2015: nil) relating to the wages and salaries of individuals working on software development. This amount was capitalised as an intangible asset.

	30 April 2016 Number	30 April 2015 Number
The average number of persons, including directors, employed during the year was as follows:		
Administration	11	11
Marketing	24	20
Information technology	11	9
Supplier relations	34	25
Sales	39	38
	119	103

6 Operating profit / (loss)

	30 April 2016 £	30 April 2015 £
The following items have been included in arriving at the operating profit / (loss):		
Net foreign exchange gain	66,777	9,218
Depreciation of tangible assets	179,871	227,884
Amortisation of intangible assets	62,534	1,067
Operating lease rentals payable - land and buildings	135,057	126,363
Auditors' remuneration	30,000	18,125
Statutory audit		
General advisory services including taxation	3,500	65,000

7 Interest receivable and similar income

	30 April 2016 £	30 April 2015 £
Bank interest	308,028	329,721

BUYAGIFT Plc

Notes forming part of the financial statements for the year ended 30 April 2016 (continued)

8 Directors' remuneration

	30 April 2016 £	30 April 2015 £
Emoluments (excluding pension contributions)	589,885	590,278
Contributions to defined contribution pension schemes	10,500	9,500
	<hr/>	<hr/>
	30 April 2016 £	30 April 2015 £
Highest paid director:		
Emoluments (excluding pension contributions)	353,939	248,575
Contributions to defined contribution pension schemes	6,000	6,000
	<hr/>	<hr/>
	Number	Number
The number of directors in the pension scheme was as follows:		
Defined contribution scheme	2	3
	<hr/>	<hr/>

During the year, no (2015: two) directors were entered into a share scheme accounted for in the parent company financial statements and no share options were granted (2015: 75,000).

9 Tax on profit / (loss) on ordinary activities

	30 April 2016 £	Restated 30 April 2015 £
(a) Analysis of charge for the year		
UK corporation tax		
UK tax	(2,712,249)	(1,656,719)
Adjustment in respect of earlier years	91,281	(62,030)
	<hr/>	<hr/>
Total current tax	(2,620,968)	(1,718,749)
Deferred tax - Origination and reversal of temporary differences	1,395,909	410,202
	<hr/>	<hr/>
Taxation charge on ordinary activities	(1,225,059)	(1,308,547)
	<hr/>	<hr/>

	30 April 2016 £	Restated 30 April 2015 £
(b) Factors affecting the taxation charge for the year		
The differences are explained below.		
Profit / (loss) on ordinary activities before taxation	6,990,904	264,045
	<hr/>	<hr/>
Taxation charge at UK corporation tax rate of 20% (2015: 20.9%)	(1,398,180)	(55,233)
Effects of:		
Expenses not deductible for tax purposes	81,840	(1,191,284)
Adjustment in respect of earlier years	91,281	(62,030)
	<hr/>	<hr/>
Total tax charge for the year	(1,225,059)	(1,308,547)
	<hr/>	<hr/>

9 Tax on profit / (loss) on ordinary activities (continued)

	30 April 2016 £	Restated 30 April 2015 £
<i>(c) Deferred tax</i>		
The deferred tax included in the balance sheet is as follows:		
Included in provisions for liabilities (note 16)	(44,699)	(1,401,979)
Included in debtors (note 15)	38,629	-
	<u>(6,070)</u>	<u>(1,401,979)</u>
Closing balance made up of:		
Accelerated capital allowances	(44,699)	(317)
Other temporary differences	38,629	(1,401,662)
	<u>(6,070)</u>	<u>(1,401,979)</u>
		£
Deferred tax liability at 1 May 2015		(1,401,979)
Deferred tax credit in Statement of Comprehensive Income		1,395,909
Deferred tax liability at 30 April 2016		<u>(6,070)</u>

(d) Factors that may affect future tax charges

Legislation was enacted during 2013 to reduce the standard rate of UK Corporation tax to 21% from 1 April 2014 and to 20% from 1 April 2015. Since this has been substantively enacted by the balance sheet date, deferred tax has been calculated at 20%.

10 Intangible assets

	Goodwill	Development expenditure	Website domains	Total
	£	£	£	£
<i>Cost</i>				
At 1 May 2015	-	264,419	101,403	365,822
Additions	295,816	387,200	-	683,016
At 30 April 2016	<u>295,816</u>	<u>651,619</u>	<u>101,403</u>	<u>1,048,838</u>
<i>Amortisation</i>				
At 1 May 2015	-	264,419	96,067	360,486
Charge for the year	-	60,400	2,134	62,534
At 30 April 2016	<u>-</u>	<u>324,819</u>	<u>98,201</u>	<u>423,020</u>
<i>Net Book Value</i>				
At 30 April 2016	<u>295,816</u>	<u>326,800</u>	<u>3,202</u>	<u>625,818</u>
At 1 May 2015	<u>-</u>	<u>-</u>	<u>5,336</u>	<u>5,336</u>

On 1st November 2015 the company acquired the trade of its French, Spanish and Italian subsidiaries. Consideration of £295,816 was paid via intercompany accounts. No working capital or non-current assets or liabilities were acquired and the consideration has been wholly attributed to goodwill.

BUYAGIFT Plc

Notes forming part of the financial statements for the year ended 30 April 2016 (continued)

11 Tangible fixed assets

	Computers and office equipment £
<i>Cost</i>	
At 1 May 2015	1,697,990
Additions	136,060
At 30 April 2016	1,834,050
<i>Accumulated depreciation</i>	
At 1 May 2015	1,412,947
Charge for the year	179,871
At 30 April 2016	1,592,818
<i>Net Book Value</i>	
At 30 April 2016	241,232
At 30 April 2015	285,043

12 Fixed asset investments

	Subsidiary undertakings £
<i>Cost</i>	
At 1 May 2015 and at 30 April 2016	54,880
<i>Amortisation</i>	
At 1 May 2015 and at 30 April 2016	(54,880)
<i>Net Book Value</i>	
At 1 May 2015 and at 30 April 2016	-

Details of subsidiary undertakings at 30 April 2016 are as follows:-

Name of company	Shares held		Nature of business	Country of incorporation (UK unless shown)
	Class	%		
Buyagift France SARL	Ordinary	100%	Provider of gift vouchers	France
Buyagift Spain SL	Ordinary	100%	Provider of gift vouchers	Spain
Buyagift Italy SRL	Ordinary	100%	Provider of gift vouchers	Italy

13 Stocks

	30 April 2016 £	30 April 2015 £
Finished goods and goods held for resale	99,982	82,734

The replacement cost of stock is not materially different from the figures stated above.

Notes forming part of the financial statements for the year ended 30 April 2016 (continued)

14 Debtors

	30 April 2016 £	Restated 30 April 2015 £
Trade debtors	775,783	370,740
Other debtors	18,007	14,029
Prepayments and accrued income	217,353	246,630
Deferred tax	38,629	-
	<u>1,049,772</u>	<u>631,399</u>

15 Creditors : amounts falling due within one year

	30 April 2016 £	Restated 30 April 2015 £
Trade creditors	2,856,020	2,317,707
Tax and social security	322,395	204,474
Corporation tax payable	1,988,802	1,623,880
Other creditors	39,002	39,802
Accruals and deferred income	14,721,006	13,490,770
	<u>19,927,225</u>	<u>17,676,633</u>

16 Provisions for liabilities and charges

	Long term incentive plan £
(a) Long term incentive plan	
At 1 May 2015	121,488
Charge to statement of comprehensive income	154,694
Utilised during the year	(83,037)
At 30 April 2016	<u>193,145</u>

The long term incentive plan is based upon the company's performance and future profitability. The plan commenced in December 2010 and is valid for a period of up to 10 years. The directors have made an estimate of the likely benefits arising from the scheme using an estimated point of redemption and applying against the long term business plan. This benefit is discounted at the rate of 2.5% and recognised evenly over this time period.

(b) Deferred tax liability

	30 April 2016 £	Restated 30 April 2015 £
Deferred Tax Liability (note 9)	<u>44,699</u>	<u>1,401,979</u>

BUYAGIFT Plc**Notes forming part of the financial statements for the year ended 30 April 2016 (continued)**

17 Called up share capital	30 April 2016	30 April 2015
<i>Allotted, called up and fully paid:</i>	£	£
"L" shares of 1p each	1,000	1,000
"A" shares of 1p each	2,500	2,500
Ordinary shares of 1p each	50,000	50,000
	<u>53,500</u>	<u>53,500</u>

18 Dividends	30 April 2016	30 April 2015
<i>Declared and paid during the year:</i>	£	£
Equity dividends on ordinary shares - 27p per share (2015 - 24p)	1,350,000	1,200,000
	<u>1,350,000</u>	<u>1,200,000</u>

19 Financial commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	30 April 2016	30 April 2015
	Land and buildings	Land and buildings
Operating leases which expire:	£	£
No later than 1 year	164,044	126,363
Later than 1 year and no later than 5 years	153,514	317,559
	<u>164,044</u>	<u>317,559</u>

20 Related party transactions

The company has taken advantage of the exemptions available to subsidiary undertakings under FRS 101 by not disclosing transactions with entities that are wholly owned by the ultimate parent undertaking of the group.

There were no other related party transactions during the year.

21 Parent undertaking and controlling party

The ultimate parent undertaking and controlling party is Bad21 SPRL. The parent undertaking of the largest group for which group financial statements are drawn up is Smartbox Group Holding SAS, a company incorporated in France. Copies of the financial statements of Smartbox Group Holding SAS can be obtained from 19 - 21 Avenue Dubonnet, 92400 Courbevoie, Paris, France.

22 Adjustments arising from change in accounting policy

As discussed in note 1, the company has changed its accounting policy for revenue recognition in the year. This was accounted for retrospectively. The change was to recognise income from the non-redemptions of vouchers at point of sale. Previously this income was recognised only when the voucher expired. Additionally, in accordance with IAS 12, deferred tax liabilities have been recognised at 1st May 2014 and 30th April 2015 to reflect the temporary difference between the timing of revenue recognised for accounting purposes and tax purposes.

22 Adjustments arising from change in accounting policy (continued)*Impact of change in accounting policy on equity*

	30 April 2015 £	Change in policy £	Restated 30 April 2015 £
Deferred tax asset (note 14)	23,981	(23,981)	-
Deferred tax liability (note 16)	-	(1,401,979)	(1,401,979)
Accruals and deferred income (note 15)	(20,620,571)	7,129,801	(13,490,770)
Profit and loss account (statement of changes in equity)	(1,432,432)	(5,703,841)	(7,136,273)

Impact of change in accounting policy on equity

	As Published 2014 £	Change in policy £	Restated 2015 £
Opening Shareholders' funds at 1 May 2014	4,635,873	5,125,777	9,761,650
Profit for the period	(1,622,566)	578,064	(1,044,502)
Dividends	(1,200,000)	-	(1,200,000)
Arising on issue of L shares	1,000	-	1,000
Closing Shareholders' funds at 30 April 2015	1,814,307	5,703,841	7,518,148

Impact of change in accounting policy on statement of comprehensive income

	30 April 2015 £	Change in policy £	Restated 30 April 2015 £
Turnover	17,059,451	722,580	17,782,031
Cost of sales	(5,358,353)	-	(5,358,353)
Gross profit	11,701,098	722,580	12,423,678
Distribution and administrative costs	(12,489,354)	-	(12,489,354)
Operating loss	(788,256)	722,580	(65,676)
Interest receivable and similar income	329,721	-	329,721
Loss on ordinary activities before taxation	(458,535)	722,580	264,045
Tax on loss on ordinary activities	(1,164,031)	(144,516)	(1,308,547)
Total comprehensive expense for the financial year	(1,622,566)	578,064	(1,044,502)