

Company Number : 3883868

**BUYAGIFT Plc**

**Report and Financial Statements**

**For the year ended 30 April 2017**



## **BUYAGIFT Plc**

### **Annual report and financial statements for the year ended 30 April 2017**

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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 2017**

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The directors present their strategic report for the year ended 30 April 2017.

**Financial key performance indicators**

Turnover for this year was £18.5m which represents a 4% reduction against last year's total of £19.3m.

Profitability as shown in the Statement of Comprehensive Income is reported as profit before tax for the year of £5.2m, a decrease of £1.8m versus last year's profit before tax of £7.0m. The full results of the company are set out on page 9.

A key strategy to achieving future 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 £25.3m against £30.1m 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 July 2017**

## **BUYAGIFT Plc**

### **Report of the directors for the year ended 30 April 2017**

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The directors present their report together with the audited financial statements for the year ended 30 April 2017.

#### **Results and dividends**

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

The company paid a dividend of 200p per share (2016: 27p), amounting to £10,000,000 during the year (2016: £1,350,000).

#### **Principal activities**

The principal activity of the company continued to be that of the sale of gift vouchers through the internet. The business is based solely in the UK. The subsidiary companies in France, Spain and Italy ceased active trading on 1st November but still remain open for customers who redeem their gift voucher.

The purchase consideration of £295,186 for these European subsidiaries was written off in this financial year.

#### **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.

## **BUYAGIFT Plc**

### **Report of the directors for the year ended 30 April 2017 (continued)**

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#### **Charitable contributions**

The company made charitable contributions during the year amounting to £30,814 (2016: £19,306).

#### **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 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 (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 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 statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- 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;
- 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.

**BUYAGIFT Plc**

**Report of the directors for the year ended 30 April 2017 (continued)**

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**Statement of directors' responsibilities (continued)**

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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 prevention and detection of fraud and other irregularities.

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



**D Mountain**  
**Director**  
**21st July 2017**

***Report on the financial statements***

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***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 2017 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.
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***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 2017;
- 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.

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***Opinion on other matter prescribed by the Companies Act 2006***

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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; and
- the Strategic Report and the Directors' Report 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***

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***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.

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***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.

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***Responsibilities for the financial statements and the audit***

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***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.

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***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.



**BUYAGIFT Plc**

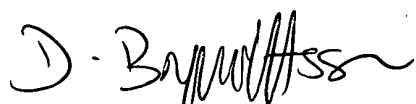
**Independent auditor's report to the members of Buyagift Plc (continued)**

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***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.



**Dása Brynjolffssen (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
St Albans**

21 July

2017

**BUYAGIFT Plc****Statement of Comprehensive Income for the year ended 30 April 2017**

	Note	30 April 2017 £	30 April 2016 £
<b>Turnover</b>	4	18,527,034	19,307,161
Cost of sales		(3,386,421)	(4,393,728)
<b>Gross profit</b>		15,140,613	14,913,433
Distribution and administrative costs	5	(10,120,250)	(8,230,557)
<b>Operating profit</b>	7	5,020,363	6,682,876
Interest receivable and similar income	8	175,463	308,028
<b>Profit before taxation</b>		5,195,826	6,990,904
Tax on profit	10	(1,094,355)	(1,225,059)
<b>Total comprehensive income for the year</b>		4,101,471	5,765,845

**BUYAGIFT Plc**

**Balance Sheet as at 30 April 2017**

	Note	30 April 2017 £	30 April 2016 £
<b>Fixed Assets</b>			
Intangible assets	11	583,348	625,818
Tangible assets	12	<u>229,788</u>	<u>241,232</u>
		813,136	867,050
<b>Current Assets</b>			
Stocks	14	172,007	99,982
Debtors	15	726,880	1,049,772
Cash at bank and in hand		<u>25,315,362</u>	<u>30,082,258</u>
		26,214,249	31,232,012
<b>Creditors : amounts falling due within one year</b>	16	(20,987,360)	(19,927,225)
<b>Net current assets</b>		<u>5,226,889</u>	<u>11,304,787</u>
<b>Total assets less current liabilities</b>		<u>6,040,025</u>	<u>12,171,837</u>
<b>Provision for liabilities</b>	17	(4,560)	(237,844)
		<u>(4,560)</u>	<u>(237,844)</u>
<b>Net assets</b>		<u>6,035,465</u>	<u>11,933,993</u>
<b>Capital and reserves</b>			
Called up share capital	18	53,500	53,500
Share premium account		328,375	328,375
Profit and loss account		5,653,590	11,552,118
<b>Total Shareholders' funds</b>		<u>6,035,465</u>	<u>11,933,993</u>

The financial statements were approved by the Board on 21st July 2017 and signed on its behalf by:



**D Mountain  
Director**

**BUYAGIFT Plc****Statement of Changes in Equity for the year ended 30 April 2017**

	<b>Called up share capital £</b>	<b>Share premium account £</b>	<b>Profit and loss account £</b>	<b>Total shareholders' funds £</b>
At 1 May 2016	53,500	328,375	11,552,118	11,933,993
Total comprehensive income for the year	-	-	4,101,471	4,101,471
Dividends declared and paid	-	-	(10,000,000)	(10,000,000)
At 30 April 2017	<u>53,500</u>	<u>328,375</u>	<u>5,653,590</u>	<u>6,035,465</u>

	<b>Called up share capital £</b>	<b>Share premium account £</b>	<b>Profit and loss account £</b>	<b>Total shareholders' funds £</b>
At 1 May 2015	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>

## BUYAGIFT Plc

### Notes forming part of the financial statements for the year ended 30 April 2017

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#### 1 General Information

Buyagift Plc is a public company, limited by shares, incorporated in England and Wales (registration number 3883868). The address of its registered office is Kingmaker House, 15 Station Road, New Barnet, Hertfordshire, EN5 1NZ.

The principle activity of the company during the year was the sale of gift vouchers through the internet.

#### 2 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.

##### ***Adopted IFRS not yet applied***

The following Adopted IFRSs have been issued but have not been applied by the company in these financial statements. Their adoption has not yet been assessed by the company:

- IFRS 9 Financial Instruments (effective financial year ending April 2019).
- IFRS 15 Revenue from Contract with Customers (effective financial year ending April 2019).
- IFRS 16 Leases (effective financial year ending April 2019).

##### ***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.

## 2 Accounting policies (continued)

### **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.

### **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:

Computers and office equipment	Straight line	33%
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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.

### **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.

## **2 Accounting policies (continued)**

### *- 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.

### **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.

## **3 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 Critical accounting estimates and judgements (continued)

*(b) Changes in accounting estimates - Disclosure*

As noted in our Revenue Recognition policy, revenue is estimated on the basis of expected levels of non-redemptions. These estimates are trued-up as actual information becomes available. In the year to 30 April 2017, a charge of £0.9m was incurred. £0.3m of this charge related directly to a supplier recording error which was beyond the business' control. The overall redemption rate remains within a reasonable range of the estimated redemption rate and therefore the business remains confident in its methodology for calculating reliable redemption rates.

### 4 Turnover

	30 April 2017 £	30 April 2016 £
Geographical locations:		
United Kingdom	18,527,034	19,307,161

### 5 Distribution and administrative costs

	30 April 2017 £	30 April 2016 £
Distribution costs	129,793	126,591
Administrative expenses	9,990,457	8,103,966
	<u>10,120,250</u>	<u>8,230,557</u>

### 6 Employees

	30 April 2017 £	30 April 2016 £
Staff costs for employees, including directors, consist of:		
Wages and salaries	4,142,493	3,867,315
Social security costs	357,717	405,784
Other pension costs	60,387	56,967
	<u>4,560,597</u>	<u>4,330,066</u>

The figures above exclude £453,890 (2016: £387,200) relating to the wages and salaries of individuals who work on software development. This amount was capitalised as an intangible asset.

	30 April 2017 Number	30 April 2016 Number
The average monthly number of persons, including directors, employed during the year was as follows:		
Administration	13	11
Marketing	26	24
Information technology	13	11
Supplier relations	38	34
Sales	40	39
	<u>130</u>	<u>119</u>



**BUYAGIFT Plc****Notes forming part of the financial statements for the year ended 30 April 2017 (continued)**

<b>7 Operating profit</b>	<b>30 April 2017 £</b>	<b>30 April 2016 £</b>
The following items have been included in arriving at the operating profit:		
Net foreign exchange (gain) / loss	(6,517)	66,777
Depreciation of tangible assets	172,468	179,871
Amortisation of intangible assets	496,360	62,534
Operating lease rentals payable - land and buildings	163,909	135,057
Auditors' remuneration	22,500	30,000
Statutory audit General advisory services including taxation	-	3,500
<b>8 Interest receivable and similar income</b>	<b>30 April 2017 £</b>	<b>30 April 2016 £</b>
Bank interest	175,463	308,028
<b>9 Directors' remuneration</b>	<b>30 April 2017 £</b>	<b>30 April 2016 £</b>
Emoluments (excluding pension contributions)	583,336	589,885
Contributions to defined contribution pension schemes	12,000	10,500
Highest paid director:	<b>30 April 2017 £</b>	<b>30 April 2016 £</b>
Emoluments (excluding pension contributions)	346,870	353,939
Contributions to defined contribution pension schemes	6,000	6,000
The number of directors in the pension scheme was as follows:	<b>Number</b>	<b>Number</b>
Defined contribution scheme	2	2

**BUYAGIFT Plc**
**Notes forming part of the financial statements for the year ended 30 April 2017 (continued)**
**10 Tax on profit**

	30 April 2017 £	30 April 2016 £
<i>(a) Analysis of charge for the year</i>		
UK corporation tax		
UK tax	(1,052,101)	(2,712,249)
Adjustment in respect of earlier years	(43,766)	91,281
	<u>(1,095,867)</u>	<u>(2,620,968)</u>
Total current tax		
Deferred tax - Origination and reversal of temporary differences	1,512	1,395,909
Taxation charge	<u>(1,094,355)</u>	<u>(1,225,059)</u>

	30 April 2017 £	30 April 2016 £
<i>(b) Factors affecting the taxation charge for the year</i>		
The differences are explained below.		
Profit before taxation	<u>5,195,826</u>	<u>6,990,904</u>
Taxation charge at UK corporation tax rate of 19.92% (2016: 20%)	(1,034,835)	(1,398,180)
Effects of:		
Expenses not deductible for tax purposes	(62,692)	81,840
Adjustments in respect of earlier years	3,172	91,281
Total tax charge for the financial year	<u>(1,094,355)</u>	<u>(1,225,059)</u>

	30 April 2017 £	30 April 2016 £
<i>(c) Deferred tax</i>		
The deferred tax included in the balance sheet is as follows:		
Included in provisions for liabilities (note 17)	(4,560)	(44,699)
Included in debtors (note 15)	-	38,629
	<u>(4,560)</u>	<u>(6,070)</u>
Closing balance made up of:		
Accelerated capital allowances	(4,560)	(44,699)
Other temporary differences	-	38,629
	<u>(4,560)</u>	<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 20% from 1 April 2016, to 19% from 1 April 2017 and to 17% from April 2020. Since this has been substantively enacted by the balance sheet date, deferred tax has been calculated at 17%.

	£
Deferred tax liability at 1 May 2016	(6,070)
Deferred tax credit in Statement of Comprehensive Income	<u>1,512</u>

**BUYAGIFT Plc**

**Notes forming part of the financial statements for the year ended 30 April 2017 (continued)**

<b>11 Intangible assets</b>	<b>Goodwill</b>	<b>Development expenditure</b>	<b>Website domains</b>	<b>Total</b>
<i>Cost</i>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 May 2016	295,816	651,619	101,403	1,048,838
Additions	-	453,890	-	453,890
At 30 April 2017	295,816	1,105,509	101,403	1,502,728
<i>Accumulated Amortisation</i>				
At 1 May 2016	-	324,819	98,201	423,020
Charge for the year	295,816	198,409	2,135	496,360
At 30 April 2017	295,816	523,228	100,336	919,380
<i>Net Book Value</i>				
At 30 April 2017	-	582,281	1,067	583,348
At 1 May 2016	295,816	326,800	3,202	625,818

On 1st November 2016 the French, Spanish and Italian web-sites ceased selling on line. The goodwill of £295,816, associated with the acquisition of these businesses therefore was written off in the year.

<b>12 Tangible assets</b>	<b>Computers and office equipment</b>
<i>Cost</i>	<b>£</b>
At 1 May 2016	1,834,050
Additions	161,024
At 30 April 2017	1,995,074
<i>Accumulated depreciation</i>	
At 1 May 2016	1,592,818
Charge for the year	172,468
At 30 April 2017	1,765,286
<i>Net Book Value</i>	
At 30 April 2017	229,788
At 30 April 2016	241,232

**BUYAGIFT Plc****Notes forming part of the financial statements for the year ended 30 April 2017 (continued)****13 Investments**

	<b>Subsidiary undertakings £</b>
<i>Cost</i>	
At 1 May 2016 and at 30 April 2017	54,880
<i>Provision / Impairment</i>	
At 1 May 2016 and at 30 April 2017	54,880
<i>Net Book Value</i>	
At 1 May 2016 and at 30 April 2017	-

Details of subsidiary undertakings at 30 April 2017 are as follows:-

<i>Name of company</i>	<i>Shares held Class</i>	<i>%</i>	<i>Nature of business</i>	<i>Country of incorporation</i>
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

**14 Stocks**

	<b>30 April 2017 £</b>	<b>30 April 2016 £</b>
Finished goods and goods held for resale	172,007	99,982

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

The amount of inventories recognised as an expense during the year was £350,576.

The amount of write down of inventories recognised as an expense during the year was £37,486.

**15 Debtors**

	<b>30 April 2017 £</b>	<b>30 April 2016 £</b>
Trade debtors	467,652	775,783
Other debtors	9,084	18,007
Prepayments and accrued income	250,144	217,353
Deferred tax	-	38,629
	726,880	1,049,772

**BUYAGIFT Plc****Notes forming part of the financial statements for the year ended 30 April 2017 (continued)****16 Creditors : amounts falling due within one year**

	<b>30 April 2017 £</b>	<b>30 April 2016 £</b>
Trade creditors	2,945,359	2,856,020
Tax and social security	412,473	322,395
Corporation tax payable	296,115	1,988,802
Other creditors	10,100	39,002
Accruals and deferred income	17,323,313	14,721,006
	<u>20,987,360</u>	<u>19,927,225</u>

**17 Provisions for liabilities****Long term  
incentive plan  
£***(a) Long term incentive plan*

At 1 May 2016	193,145
Credit to statement of comprehensive income	(15,645)
Utilised during the year	(177,500)

At 30 April 2017

-

The long term incentive plan closed during the year.

*(b) Deferred tax liability*

	<b>30 April 2017 £</b>	<b>30 April 2016 £</b>
Deferred Tax Liability (note 10)	<u>4,560</u>	<u>44,699</u>

**18 Called up share capital***Allotted, called up and fully paid:*

	<b>30 April 2017 £</b>	<b>30 April 2016 £</b>
"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>

**19 Dividends***Declared and paid during the year:*

	<b>30 April 2017 £</b>	<b>30 April 2016 £</b>
Equity dividends on ordinary shares - 200p per share (2016 - 27p)	<u>10,000,000</u>	<u>1,350,000</u>

## **20 Financial commitments**

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

	<b>30 April 2017</b>	<b>30 April 2016</b>
	<b>Land and buildings</b>	<b>Land and buildings</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
No later than 1 year	150,250	164,044
Later than 1 year and no later than 5 years	-	153,514

## **21 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.

## **22 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.