

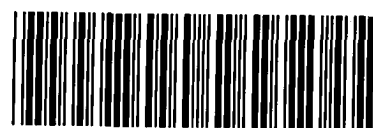
Company Number : 3883868

**BUYAGIFT Plc**

**Report and Financial Statements**

**For the year ended 30 April 2018**

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## **BUYAGIFT Plc**

### **Annual report and financial statements for the year ended 30 April 2018**

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#### **Contents**

##### **Page**

2	Strategic report
3	Report of the directors
6	Independent auditors' report
9	Statement of Comprehensive Income
10	Balance Sheet
11	Statement of Changes in Equity
12	Notes forming part of the financial statements

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#### **Directors**

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

#### **Registered office**

4 Imperial Place  
Maxwell Road  
Borehamwood  
Hertfordshire  
WD6 1JN

#### **Registered number**

3883868

#### **Independent Auditors**

PricewaterhouseCoopers LLP  
10 Bricket Road  
St Albans  
Herts  
AL1 3JX

**Strategic report for the year ended 30 April 2018**

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The directors present their strategic report for the year ended 30 April 2018.

**Financial key performance indicators**

Turnover for this year was £22.4m which represents a 21% increase against last year's total of £18.5m.

Profitability as shown in the Statement of Comprehensive Income is reported as profit before taxation for the year of £6.4m, an increase of £1.2m versus last year's profit before taxation of £5.2m. The full results of the company are set out on page 9.

The company remains dedicated to meeting the high expectations of customers with a range of high quality, excellent value products which we are constantly striving to improve whilst ensuring a seamless journey from initial purchase through booking and any necessary aftercare.

The move to our new offices and thoughtful refurbishment demonstrates our commitment to our employees to ensure they have the best working environment possible in which to facilitate and develop their roles.

In November 2017 the shareholding of Red Letter Days was acquired and integrated into the Smartbox Group which further consolidates our position as the number one market leader in UK gift experiences. From this position the intention is to continue to work with our current suppliers whilst actively seeking appropriate new ones to further strengthen our product offering and maintain healthy relationships with all key stakeholders.

Through this commitment we are confident the business will continue to achieve healthy growth and profitability for our shareholders.

The Company continues to be in a strong cash position, with cash held at the end of the year of £22.0m against £25.3m 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**  
**18 July 2018**

## **BUYAGIFT Plc**

### **Report of the directors for the year ended 30 April 2018**

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The directors present their report together with the audited financial statements for the year ended 30 April 2018.

#### **Results and dividends**

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

The company paid a dividend of 82p per share (2017: 200p), amounting to £4,100,000 during the year (2017: £10,000,000).

#### **Principal activities**

The principal activity of the company continued to be that of the sale of gift vouchers through the internet with an increased presence in the Retail market which is set to continue. The business is based solely in the UK.

#### **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 £28,458 (2017: £30,814).

**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 in respect of the financial statements**

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 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.

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.

**Directors' confirmations**

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**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  
18 July 2018**

**Report on the audit of the financial statements**

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**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 2018 and of its profits 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 Annual report and financial statements (the "Annual Report"), which comprise: the Balance Sheet as at 30 April 2018; the Statement of Comprehensive Income 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.

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**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.

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**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 when:

- 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 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 or, 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 30 April 2018 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 directors' responsibilities in respect of the financial statements set out on page 4 and 5, 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 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.



**BUYAGIFT Plc**

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

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**Responsibilities for the financial statements and the audit (continued)**

*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.

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**Other required reporting**

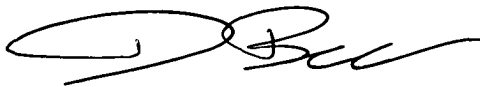
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**Companies Act 2006 exception reporting**

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, 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.



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

19 July 2018

**BUYAGIFT Plc****Statement of Comprehensive Income for the year ended 30 April 2018**

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	<b>Note</b>	<b>30 April 2018 £</b>	<b>30 April 2017 £</b>
<b>Turnover</b>	4	22,381,952	18,527,034
Cost of sales		(4,122,528)	(3,386,421)
<b>Gross profit</b>		18,259,424	15,140,613
Distribution and administrative costs	5	(11,965,745)	(10,120,250)
<b>Operating profit</b>	7	6,293,679	5,020,363
Interest receivable and similar income	8	87,708	175,463
<b>Profit before taxation</b>		6,381,387	5,195,826
Tax on profit	10	(1,215,468)	(1,094,355)
<b>Total comprehensive income for the year</b>		5,165,919	4,101,471

**BUYAGIFT Plc**
**Balance Sheet as at 30 April 2018**

	Note	30 April 2018 £	30 April 2017 £
<b>Fixed Assets</b>			
Intangible assets	11	775,168	583,348
Tangible assets	12	1,766,210	229,788
Investments	13	27,319,490	-
		<u>29,860,868</u>	<u>813,136</u>
<b>Current Assets</b>			
Stocks	14	311,351	172,007
Debtors	15	1,221,392	726,880
Cash at bank and in hand		21,998,364	25,315,362
		<u>23,531,107</u>	<u>26,214,249</u>
<b>Creditors : amounts falling due within one year</b>	16	(29,014,239)	(20,987,360)
<b>Net current (liabilities) / assets</b>		<u>(5,483,132)</u>	<u>5,226,889</u>
<b>Total assets less current liabilities</b>		<u>24,377,736</u>	<u>6,040,025</u>
<b>Creditors : amounts falling after more one year</b>	17	(17,209,752)	-
<b>Provisions for liabilities</b>	18	(48,914)	(4,560)
		<u>(17,258,666)</u>	<u>(4,560)</u>
<b>Net assets</b>		<u>7,119,070</u>	<u>6,035,465</u>
<b>Capital and reserves</b>			
Called up share capital	19	53,500	53,500
Share premium account		328,375	328,375
Profit and loss account		6,737,195	5,653,590
<b>Total Shareholders' funds</b>		<u>7,119,070</u>	<u>6,035,465</u>

The financial statements were approved by the Board on 18 July 2018 and signed on its behalf by:



**D Mountain**  
Director

**BUYAGIFT Plc****Statement of Changes in Equity for the year ended 30 April 2018**

	<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 2017	53,500	328,375	5,653,590	6,035,465
Total comprehensive income for the financial year	-	-	5,165,919	5,165,919
Dividends declared and paid	-	-	(4,100,000)	(4,100,000)
Other reserve movements	-	-	17,686	17,686
At 30 April 2018	<u>53,500</u>	<u>328,375</u>	<u>6,737,195</u>	<u>7,119,070</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 2016	53,500	328,375	11,552,118	11,933,993
Total comprehensive income for the financial 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>

## 1 General Information

Buyagift Plc is a public company, limited by shares, incorporated and domiciled in England and Wales (registration number 3883868). The address of its registered office is 4 Imperial Place, Maxwell Road, Borehamwood, Hertfordshire, WD6 1JN.

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 financial statements have been prepared on a going concern basis. Accounting policies have been applied consistently, other than where new policies have been adopted.

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.

- IFRS 9 (effective financial year ending April 2019). Based on its own analyses, the Company considers that the adoption of IFRS 9 will not have a material impact on its financial position or performance.
- IFRS 15 (effective financial year ending April 2019). Based on its own analyses, the Company considers that the adoption of IFRS 15 will not have a material impact on its financial position or performance.
- IFRS 16 Leases (effective financial year ending April 2020). Its adoption has not yet been assessed by the company.

## 2 Accounting policies (continued)

### ***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.

### ***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%
Fixtures and fittings	Straight line	20%

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.

## 2 Accounting policies (continued)

### *- 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.

### **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.

**Critical accounting estimates and assumptions (continued)**

*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.

**4 Turnover**

	30 April 2018 £	30 April 2017 £
Geographical locations:		
United Kingdom	22,381,952	18,527,034

**5 Distribution and administrative costs**

	30 April 2018 £	30 April 2017 £
Distribution costs	155,632	129,793
Administrative expenses	11,810,113	9,990,457
	<u>11,965,745</u>	<u>10,120,250</u>



**BUYAGIFT Plc****Notes forming part of the financial statements for the year ended 30 April 2018 (continued)**

<b>6 Employees</b>	<b>30 April 2018 £</b>	<b>30 April 2017 £</b>
Staff costs for employees, including directors, consist of:		
Wages and salaries	4,374,915	4,142,493
Social security costs	380,667	357,717
Other pension costs	86,036	60,387
	<u>4,841,618</u>	<u>4,560,597</u>

The figures above exclude £565,089 (2017: £453,890) relating to the wages and salaries of individuals who work on software development. This amount was capitalised as an intangible asset.

	<b>30 April 2018</b>	<b>30 April 2017</b>
The average monthly number of persons, including directors,		
Administration	13	13
Marketing	30	26
Information technology	14	13
Supplier relations	31	38
Sales	37	40
	<u>125</u>	<u>130</u>

<b>7 Operating profit</b>	<b>30 April 2018 £</b>	<b>30 April 2017 £</b>
The following items have been included in arriving at the operating profit:		
Net foreign exchange gain	(11,726)	(6,517)
Depreciation of tangible assets	296,555	172,468
Amortisation of intangible assets	373,269	496,360
Operating lease rentals payable - land and buildings	262,851	163,909
Auditors' remuneration      Statutory audit	24,000	22,500

<b>8 Interest receivable and similar income</b>	<b>30 April 2018 £</b>	<b>30 April 2017 £</b>
Bank interest	<u>87,708</u>	<u>175,463</u>

**BUYAGIFT Plc****Notes forming part of the financial statements for the year ended 30 April 2018 (continued)****9 Directors' remuneration**

	<b>30 April 2018 £</b>	<b>30 April 2017 £</b>
Emoluments (excluding pension contributions)	483,785	583,336
Contributions to defined contribution pension schemes	12,000	12,000
	<hr/>	<hr/>
	<b>30 April 2018 £</b>	<b>30 April 2017 £</b>
Highest paid director:		
Emoluments (excluding pension contributions)	275,129	346,870
Contributions to defined contribution pension schemes	6,000	6,000
	<hr/>	<hr/>
	<b>Number</b>	<b>Number</b>
The number of directors in the pension scheme was as follows:		
Defined contribution scheme	2	2
	<hr/>	<hr/>

**10 Tax on profit**

	<b>30 April 2018 £</b>	<b>30 April 2017 £</b>
<i>(a) Analysis of charge for the year</i>		
<i>UK corporation tax</i>		
UK tax	(1,172,015)	(1,052,101)
Adjustment in respect of earlier years	901	(43,766)
	<hr/>	<hr/>
Total current tax	(1,171,114)	(1,095,867)
<i>Deferred tax - Origination and reversal of temporary differences</i>	(44,354)	1,512
	<hr/>	<hr/>
Taxation charge	(1,215,468)	(1,094,355)
	<hr/>	<hr/>
	<b>30 April 2018 £</b>	<b>30 April 2017 £</b>
<i>(b) Factors affecting the taxation charge for the year</i>		
The differences are explained below.		
Profit before taxation	6,381,387	5,195,826
	<hr/>	<hr/>
Taxation charge at UK corporation tax rate of 19% (2017: 19.92%)	(1,212,464)	(1,034,835)
Effects of:		
Expenses not deductible for tax purposes	(4,132)	(62,692)
Adjustments in respect of earlier years	1,128	3,172
	<hr/>	<hr/>
Total tax charge for the financial year	(1,215,468)	(1,094,355)
	<hr/>	<hr/>

**BUYAGIFT Plc**
**Notes forming part of the financial statements for the year ended 30 April 2018 (continued)**
**10 Tax on profit (continued)**

	30 April 2018 £	30 April 2017 £
<i>(c) Deferred tax</i>		
The deferred tax included in the balance sheet is as follows:		
Included in provisions for liabilities (note 18)	(48,914)	(4,560)
	<u>(48,914)</u>	<u>(4,560)</u>
Closing balance made up of:		
Accelerated capital allowances	(48,914)	(4,560)
	<u>(48,914)</u>	<u>(4,560)</u>
<i>(d) Factors that may affect future tax charges</i>		
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 2017		(4,560)
Deferred tax charge in Statement of Comprehensive Income		(44,354)
		<u>(48,914)</u>
Deferred tax liability at 30 April 2018		<u>(48,914)</u>

**11 Intangible assets**

	Goodwill £	Development expenditure £	Website domains £	Total £
<i>Cost</i>				
At 1 May 2017	295,816	1,105,509	101,403	1,502,728
Additions	-	565,089	-	565,089
Disposals	(295,816)	(264,420)	-	(560,236)
	<u>-</u>	<u>1,406,178</u>	<u>101,403</u>	<u>1,507,581</u>
<i>Accumulated Amortisation</i>				
At 1 May 2017	295,816	523,228	100,336	919,380
Charge for the year	-	372,202	1,067	373,269
Disposals	(295,816)	(264,420)	-	(560,236)
	<u>-</u>	<u>631,010</u>	<u>101,403</u>	<u>732,413</u>
<i>Net Book Value</i>				
At 30 April 2018	<u>-</u>	<u>775,168</u>	<u>-</u>	<u>775,168</u>
At 1 May 2017	<u>-</u>	<u>582,281</u>	<u>1,067</u>	<u>583,348</u>

**BUYAGIFT Plc****Notes forming part of the financial statements for the year ended 30 April 2018 (continued)****12 Tangible assets**

	<b>Computers and office equipment £</b>
<i>Cost</i>	
At 1 May 2017	1,995,074
Additions	1,832,977
Disposals	(506,311)
At 30 April 2018	3,321,740
<i>Accumulated depreciation</i>	
At 1 May 2017	1,765,286
Charge for the year	296,555
Disposals	(506,311)
At 30 April 2018	1,555,530
<i>Net Book Value</i>	
At 30 April 2018	1,766,210
At 30 April 2017	229,788

**13 Investments**

	<b>Subsidiary undertakings £</b>
<i>Cost</i>	
At 1 May 2017	54,880
Additions	27,319,490
Disposals	(51,266)
At 30 April 2018	27,323,104
<i>Provision / Impairment</i>	
At 1 May 2017	54,880
Disposals	(51,266)
At 30 April 2018	3,614
<i>Net Book Value</i>	
At 30 April 2018	27,319,490
At 30 April 2017	-

**BUYAGIFT Plc****Notes forming part of the financial statements for the year ended 30 April 2018 (continued)****13 Investments (continued)**

Details of subsidiary undertakings at 30 April 2018 are as follows:-

<b>Name of company</b>	<b>Shares held Class</b>	<b>%</b>	<b>Nature of business</b>	<b>Country of incorporation</b>
Red Letter Days Limited	Ordinary	100%	Provider of gift vouchers	UK

**Registered office address**

The Grange, 100 High Street, Southgate, London, N14 6BN

<b>Name of company</b>	<b>Shares held Class</b>	<b>%</b>	<b>Nature of business</b>	<b>Country of incorporation</b>
Buyagift Spain SL	Ordinary	100%	Provider of gift vouchers	Spain

**Registered office address**

Carrer de Balmes, 470, 08022 Barcelona, Spain

*Buyagift Italy SRL and Buyagift France SARL were both liquidated during the year end April 2018.*

**14 Stocks**

	<b>30 April 2018 £</b>	<b>30 April 2017 £</b>
Finished goods and goods held for resale	311,351	172,007

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 £741,050 (2017: £350,576).

The amount of write down of inventories recognised as an expense during the year was £117,312 (2017: £37,486)

**15 Debtors**

	<b>30 April 2018 £</b>	<b>30 April 2017 £</b>
Trade debtors	701,666	467,652
Other debtors	11,647	9,084
Prepayments and accrued income	508,079	250,144
	<b>1,221,392</b>	<b>726,880</b>

**BUYAGIFT Plc****Notes forming part of the financial statements for the year ended 30 April 2018 (continued)****16 Creditors : amounts falling due within one year**

	<b>30 April 2018 £</b>	<b>30 April 2017 £</b>
Trade creditors	3,983,158	2,945,359
Tax and social security	126,228	412,473
Corporation tax payable	298,213	296,115
Other creditors	17,304	10,100
Accruals and deferred income	24,589,336	17,323,313
	<u>29,014,239</u>	<u>20,987,360</u>

**17 Creditors : amounts falling due after more than one year**

	<b>30 April 2018 £</b>	<b>30 April 2017 £</b>
Owed to parent undertaking	17,209,752	-

**18 Provisions for liabilities**

	<b>30 April 2018 £</b>	<b>30 April 2017 £</b>
Deferred Tax Liability (note 10)	48,914	4,560

**19 Called up share capital**

	<b>30 April 2018 £</b>	<b>30 April 2017 £</b>
<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>

**20 Dividends**

	<b>30 April 2018 £</b>	<b>30 April 2017 £</b>
<i>Declared and paid during the year:</i>		
Equity dividends on ordinary shares - 82p per share (2017 - 200p)	4,100,000	10,000,000

**21 Financial commitments**

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

	<b>30 April 2018</b>	<b>30 April 2017</b>
	<b>Land and buildings</b>	<b>Land and buildings</b>
	<b>£</b>	<b>£</b>
No later than 1 year	369,240	150,250
Later than 1 year and no later than 5 years	1,353,880	-
	<u>1,723,120</u>	<u>150,250</u>

**22 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.

**23 Parent undertaking and controlling party**

The ultimate parent undertaking and controlling party is Bad21 SPRL. The parent undertaking of the largest group for which the group financial statements are drawn up is SBG Financial Holding DAC, a company incorporated in Ireland. Copies of the financial statements of SBG Financial Holding DAC can be obtained from 6th Floor, 2 Grand Canal Square, Dublin 2, Ireland.