

Buy It Direct Limited

Report and Financial Statements

Year Ended

31 March 2013

Company Number 04171412

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Buy It Direct Limited

**Report and financial statements
for the year ended 31 March 2013**

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Directors

M J Mitchell
N H Glynn
A Fiolo
S A Barnett
J Rigg
T R Lousada

Registered office

Unit A Trident Business Park Leeds Road Huddersfield West Yorkshire HD2 1UA

Company number

04171412

Auditors

BDO LLP 1 Bridgewater Place, Water Lane Leeds LS11 5RU

Bankers

HSBC Bank plc PO Box 45, 47 Market Street, Bradford, BD1 1LW

Solicitors

Lee & Priestley LLP 10-12 East Parade Leeds LS1 2AJ

Chadwick Lawrence LLP 13 Railway Street, Huddersfield HD1 1JS

Buy It Direct Limited

Report of the directors for the year ended 31 March 2013

The directors present their report together with the audited financial statements for the year ended 31 March 2013

Principal activities results, review of business and future developments

The principal activity of the group is the e-tailing of the major brands of computer equipment televisions, household appliances and other electrical equipment primarily through multiple websites. The group takes orders online over the phone and face to face from its two showrooms. The group supplies consumers and businesses mostly in the United Kingdom but with some overseas trade through resellers and consumers.

The profit and loss account set out on page 7 shows sales for the year of £93,416,564 (2012 £69,776,740) a 34% increase on 2012 and an operating profit of £521,795 (2012 £453,951), which is an increase on 2012 of 15%.

The group's balance sheet as detailed on page 8 shows a satisfactory position, shareholders' funds amounting to £4,687,589 (2012 £4,439,033).

Given the continuing tough economic climate in general over the last 12 months and the market sector in which the business operates the Directors are satisfied with the performance of the business. The Company continues to look for new business opportunities in both its core market and affiliated sectors and has continued to show its ability to successfully integrate new businesses and product ranges through its acquisition of Furniture 123.

The Directors are confident for the year going forward and are continuing to see strong performance across all its core brands.

Key performance indicators

As well as appraising financial performance in comparison to forecast and previous year, the directors of the business closely monitor performance in the following areas:

- Web site hits + conversions (and the correlation with on line advertising)
- Orders placed
- Quote to order conversion
- Generic sales growth
- New sales growth
- Sales per head
- Call handling including missed calls and wait times
- Product category sales growth and margin
- Customer satisfaction
- Web site response times
- Employee absence and satisfaction
- Fraud detection
- Working capital management

Principal risks and uncertainties

The vast majority of supplier payments are made in sterling and the business has very little exposure to foreign exchange risk.

Our websites are hosted by two independent companies giving us failure redundancy for hardware and ISP issues should any arise.

Post balance sheet events

Dividends totalling £150,000 were declared subsequent to the balance sheet date.

Buy It Direct Limited

Report of the directors for the year ended 31 March 2013 (*continued*)

Charitable and political contributions

During the year the group made charitable contributions of £5,700. There were no political contributions.

Policy and practice on the payment of creditors

The group aims to create and maintain mutually beneficial relationships with its key suppliers. It is group policy to agree terms and conditions of supply with all its suppliers whether by standard written terms or individually negotiated terms. The group abides by these terms and conditions provided that the supplier has also complied.

The number of average days purchases of the group represented by trade creditors at 31 March 2013 was 33 (2012 - 36).

Measurement of key performance indicators

Year on year movement in sales, operating profit and shareholders' funds is disclosed above.

The cash conversion cycle of the business continues to be good and is in line with expectations following a change in customer mix. Cash from a sale is received within one week of paying suppliers for stock.

Performance against the remaining non-financial KPIs shown above is monitored internally on an ongoing basis and is not materially worse in 2013 compared to 2012 for any of the KPIs noted above.

Going concern

Credit is only granted to a small proportion of Business to Business customers. Group policy is to fully insure all credit facilities given. There are very few exceptions to this and these go through a stringent internal review and authorisation process before any non-insured credit is granted. As a result, there is little exposure to bad debt risk. The business sources products for resale directly from manufacturers and also from a number of distributors. We consider that the business has a diverse supply chain and is not exposed to the failure of any one major supplier.

The business has a well diversified customer portfolio. It also has a wide range of supply contracts. As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the group 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 accounts. See Note 1 for further details.

Financing

The group continues to be cash generative from day to day operations, has no debt and the directors consider it to be in a strong position to operate through these difficult economic times. The group remains committed to offering the best post-sale service possible to retain customer loyalty.

Environment

The group has taken steps to ensure it complies with all Waste Electrical and Electronic Equipment (2006) regulations and has a positive approach to minimise the use of and to recycle packaging where possible.

Buy It Direct Limited

Report of the directors for the year ended 31 March 2013 (*continued*)

Directors

The directors of the company during the year were

M J Mitchell (appointed 8 May 2013)
N H Glynn
A Field
S A Barnett
J Rigg
T R Lousada
C Miles (resigned 31 May 2012)

Directors' responsibilities

The directors are responsible for preparing the directors' report 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 elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 group and company and of the profit or loss of the group 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Buy It Direct Limited

Report of the directors for the year ended 31 March 2013 (*continued*)

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.

BDO LLP were appointed as auditors during the year and have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the board



27/1/14

N H Glynné
Director

Buy It Direct Limited

Independent auditor's report

To the member of Buy It Direct Limited

We have audited the financial statements of Buy It Direct Limited for the year ended 31 March 2013 which comprise the consolidated profit and loss account the consolidated and company balance sheets, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the company and the company's member for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, 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). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2013 and of the group's profit 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

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

Buy It Direct Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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



Ian Beaumont (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Leeds
United Kingdom

27/01/2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Buy It Direct Limited

Consolidated profit and loss account for the year ended 31 March 2013

	Note	2013 £	Acquisitions 2013 £	Total 2013 £	Total 2012 £
Turnover	2	90,554,500	2,862,064	93,416,564	69,776,740
Cost of sales		78,809,511	2,134,647	80,944,158	59,929,106
Gross profit		11,744,989	727,417	12,472,406	9,847,634
Distribution costs		3,783,077	219,409	4,002,486	2,647,939
Administrative expenses		7,484,961	463,164	7,948,125	6,745,744
Group operating profit	3	476,951	44,844	521,795	453,951
Other interest receivable and similar income				10,544	3,121
Interest payable and similar charges	6			-	(1,092)
Profit on ordinary activities before taxation				532,339	455,980
Taxation on profit on ordinary activities	7			183,783	77,155
Profit on ordinary activities after taxation				348,556	378,825

All amounts relate to continuing activities

All recognised gains and losses in the current and prior year are included in the profit and loss account

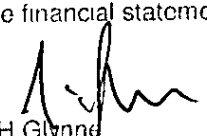
The notes on pages 11 to 28 form part of these financial statements

Buy It Direct Limited

Consolidated balance sheet at 31 March 2013

<i>Company number 04171412</i>	Note	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Intangible assets	10		342,659		-
Tangible assets	11		831,084		781 992
Fixed asset investments	12		170,011		343 594
			<u>1,343,754</u>		<u>1 125 586</u>
Current assets					
Stocks	13	6,418,029		5 099 493	
Debtors	14	7,288,488		8,023 091	
Cash at bank and in hand		2,436,053		3 754,279	
		<u>16,142,570</u>		<u>16 876 863</u>	
Creditors amounts falling due within one year	15	12,791,220		13 544 598	
		<u>12,791,220</u>		<u>13 544 598</u>	
Net current assets			<u>3 351,350</u>		<u>3 332,265</u>
Total assets less current liabilities			<u>4,695,104</u>		<u>4 457 851</u>
Provisions for liabilities	16		7,515		18 818
			<u>4 687,589</u>		<u>4 439 033</u>
Capital and reserves					
Called up share capital	18		1,011		1 011
Profit and loss account	19		4 686,578		4 438 022
			<u>4,687,589</u>		<u>4 439 033</u>
Shareholder's funds	20		<u>4,687,589</u>		<u>4 439 033</u>

The financial statements were approved by the board of directors and authorised for issue on


N H Glynn
Director

27/1/14

The notes on pages 11 to 28 form part of these financial statements

Buy It Direct Limited

Company balance sheet at 31 March 2013

<i>Company number 04171412</i>	Note	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Tangible assets	11		758,821		781,992
Fixed asset investments	12		801,011		343,594
			<u>1,559,832</u>		<u>1,125,586</u>
Current assets					
Stocks	13	5,752,608		5,099,493	
Debtors	14	7,263,058		8,023,091	
Cash at bank and in hand		2,396,267		3,754,279	
		<u>15,411,933</u>		<u>16,876,863</u>	
Creditors amounts falling due within one year	15	12,265,825		13,544,598	
		<u>12,265,825</u>		<u>13,544,598</u>	
Net current assets			<u>3,146,108</u>		<u>3,332,265</u>
Total assets less current liabilities			<u>4,705,940</u>		<u>4,457,851</u>
Provisions for liabilities	16		7,265		18,818
			<u>4,698,675</u>		<u>4,439,033</u>
Capital and reserves					
Called up share capital	18		1,011		1,011
Profit and loss account	19		4,697,664		4,438,022
			<u>4,698,675</u>		<u>4,439,033</u>
Shareholder's funds	20		<u>4,698,675</u>		<u>4,439,033</u>

The financial statements were approved by the board of directors and authorised for issue on


N H Glynne
Director

27/01/14

The notes on pages 11 to 28 form part of these financial statements

Buy It Direct Limited

Consolidated cashflow statement for the year ended 31 March 2013

	Note	2013 £	2013 £	2012 £	2012 £
Net cash (outflow)/inflow from operating activities	25		(521,821)		3 161,745
Returns on investments and servicing of finance					
Interest received		10,544		3 121	
Interest paid hire purchase		-		(1 092)	
Net cash inflow from returns on investments and servicing of finance			10,544		2 029
Taxation					
Corporation tax paid			(66,992)		(326 908)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(211,925)		(335,923)	
Payments to acquire fixed asset investments		-		(13 583)	
Receipts from sale of tangible fixed assets		24 001		14,167	
Receipts from sale of fixed asset investments		13,583		501,576	
Net cash (outflow)/inflow from capital expenditure and financial investment			(174 341)		166 237
Acquisitions and disposals					
Purchase of business operations			(465,616)		
Dividends paid			(100,000)		(100 000)
(Decrease)/increase in cash	26		(1,318 226)		2 903 103

The notes on pages 11 to 28 form part of these financial statements

Buy It Direct Limited

Notes forming part of the financial statements for the year ended 31 March 2013

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

The following principal accounting policies have been applied

Basis of consolidation

The consolidated financial statements incorporate the results of Buy It Direct Limited and all of its subsidiary undertakings as at 31 March 2013 using the acquisition method of accounting. The results of subsidiary undertakings are included from the date of acquisition.

Goodwill

Goodwill arising on an acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life of 5 years. Impairment tests on the carrying value of goodwill are undertaken

- at the end of the first full financial year following acquisition
- in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

Turnover is recognised on despatch of goods.

Depreciation

Depreciation is provided to write off the cost less estimated residual values of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Motor vehicles	- 25% straight line
Fixtures and fittings	20% and 25% straight line
Website development	- 50% straight line

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the average cost of purchase. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Buy It Direct Limited

Notes forming part of the financial statements for the year ended 31 March 2013 (*continued*)

1 Accounting policies (*continued*)

Website development

Where the companies' websites are expected to generate future revenues in excess of the costs of developing those websites, expenditure on the functionality of the website is capitalised and treated as a tangible fixed asset. Expenditure incurred on maintaining websites and expenditure incurred on developing websites used only for advertising and promotional purposes are written off as incurred.

Foreign currency

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Leased assets

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

Contributions to the group's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

2 Turnover

	2013 £	2012 £
Analysis by geographical market		
United Kingdom	90,720,075	67,446,358
Rest of the world	2,696,489	2,330,382
	<hr/>	<hr/>
	93,416,564	69,776,740
	<hr/>	<hr/>

Turnover is wholly attributable to the principal activity of the group.

Buy It Direct Limited

Notes forming part of the financial statements
for the year ended 31 March 2013 (*continued*)

3 Operating profit

	2013 £	2012 £
This is arrived at after charging/(crediting)		
Depreciation of tangible fixed assets	216,623	243,524
Amortisation of positive goodwill	45,256	
Profit on disposal of tangible fixed assets	(5,441)	(9,946)
Hire of other assets – operating leases	428,057	412,547
Fees payable to the company's auditor for the auditing of the company's annual accounts	22,500	20,500
Fees payable to the company's auditor for taxation compliance services	2,500	3,000
Exchange differences	1,559	150
	<u>216,623</u>	<u>243,524</u>

4 Employees

Staff costs (including directors) consist of

	Group 2013 £	Group 2012 £
Wages and salaries	3,519,983	3,281,271
Social security costs	315,954	300,026
Other pension costs	110,469	81,860
	<u>3,946,406</u>	<u>3,663,157</u>

The average number of employees (including directors) during the year was as follows

	Group 2013 Number	Group 2012 Number
Production and development staff	11	10
Administrative staff	49	50
Management staff	6	7
Sales staff	95	77
	<u>161</u>	<u>144</u>

Buy It Direct Limited

Notes forming part of the financial statements
for the year ended 31 March 2013 (*continued*)

5 Directors' remuneration

	2013 £	2012 £
Directors' emoluments	425,484	462,204
Company contributions to money purchase pension schemes	100,000	63,852

There was 1 director in the group's defined contribution pension scheme during the year (2012 - 3)

The total amount payable to the highest paid director in respect of emoluments was £140,819 (2012 - £134,327)

6 Interest payable and similar charges

	2013 £	2012 £
Finance leases and hire purchase contracts	-	1,092

Buy It Direct Limited

Notes forming part of the financial statements
for the year ended 31 March 2013 (continued)

7 Taxation on profit on ordinary activities

	2013 £	2012 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	195,356	103,003
Adjustment in respect of previous periods	-	(37,035)
	<hr/>	<hr/>
Total current tax	195,356	65,968
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(10,789)	13,885
Adjustment in respect of previous periods	-	(1,130)
Effect of tax rate change on opening balance	(784)	(1,568)
	<hr/>	<hr/>
Movement in deferred tax provision	(11,573)	11,187
	<hr/>	<hr/>
Taxation on profit on ordinary activities	183,783	77,155
	<hr/>	<hr/>

The tax assessed for the year is higher than/lower than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below

	2013 £	2012 £
Profit on ordinary activities before tax	532,339	455,980
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 24.00% (2012 - 26.00%)	127,761	118,555
Effect of		
Expenses not deductible for tax purposes	55,066	14,605
Depreciation for period in excess/(deficit) of capital allowances	14,322	(13,885)
Income not taxable for tax purposes	-	(618)
Adjustment to tax charge in respect of previous periods	-	(37,035)
Effect of tax rate changes	-	(15,654)
Marginal relief	(1,793)	-
	<hr/>	<hr/>
Current tax charge for the year	195,356	65,968
	<hr/>	<hr/>

Buy It Direct Limited

Notes forming part of the financial statements
for the year ended 31 March 2013 (*continued*)

8 Dividends

	2013 £	2012 £
Ordinary shares		
Interim paid of £100 000 (2012 - £100,000) per share	100,000	100 000
	<u> </u>	<u> </u>
Ordinary shares		
Interim dividend proposed for the year ended 31 March 2014 of £150 000 (2012 - £nil) per share	150,000	-
	<u> </u>	<u> </u>

The proposed interim dividend has not been accrued for as the dividend was declared after the balance sheet date

9 Profit for the financial year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The group profit for the year includes a profit after tax of £359 642 (2012 - £378 825) which is dealt with in the financial statements of the parent company

Buy It Direct Limited

Notes forming part of the financial statements
for the year ended 31 March 2013 (*continued*)

10 Intangible fixed assets

Group

	Goodwill on consolidation £
<i>Cost</i>	
At 1 April 2012	313 167
Additions (note 21)	387 915
	<hr/>
At 31 March 2013	701,082
	<hr/>
<i>Amortisation</i>	
At 1 April 2012	313,167
Provided for the year	45 256
	<hr/>
At 31 March 2013	358,423
	<hr/>
<i>Net book value</i>	
At 31 March 2013	342,659
	<hr/> <hr/>
At 31 March 2012	-
	<hr/> <hr/>

Goodwill in the year arose on the acquisition of the remaining 50% of the share capital of Be Retail Limited
Further details are shown in note 21

Buy It Direct Limited

Notes forming part of the financial statements
for the year ended 31 March 2013 (*continued*)

10 Intangible fixed assets (*continued*)

Company

	Goodwill £
<i>Cost</i>	
At 1 April 2012 and 31 March 2013	313,167
<i>Amortisation</i>	
At 1 April 2012 and 31 March 2013	313,167
<i>Net book value</i>	
At 31 March 2012 and 31 March 2013	-

11 Tangible fixed assets

Group

	Motor vehicles £	Fixtures and fittings £	Website development costs £	Total £
<i>Cost</i>				
At 1 April 2012	106,420	995 100	496 401	1 597,921
Additions	65 100	22,967	123 858	211 925
Acquisition of subsidiary	-	7 350	65 000	72,350
Disposals	(35 000)	(2 322)	-	(37 322)
At 31 March 2013	136,520	1,023,095	685,259	1 844,874
<i>Depreciation</i>				
At 1 April 2012	55 470	330 354	430 105	815,929
Provided for the year	35 621	97 478	83 524	216 623
Disposals	(17 572)	(1,190)		(18 762)
At 31 March 2013	73 519	426,642	513,629	1,013,790
<i>Net book value</i>				
At 31 March 2013	63 001	596,453	171,630	831,084
At 31 March 2012	50 950	664 746	66,296	781 992

Buy It Direct Limited

Notes forming part of the financial statements
for the year ended 31 March 2013 (*continued*)

11 Tangible fixed assets (*continued*)

Company

	Motor vehicles £	Fixtures and fittings £	Website development costs £	Total £
<i>Cost</i>				
At 1 April 2012	106 420	995 100	496 401	1,597 921
Additions	65 100	22 967	123 858	211 925
Disposals	(35 000)	(2 322)		(37,322)
	<u>136,520</u>	<u>1,015,745</u>	<u>620,259</u>	<u>1,772 524</u>
<i>Depreciation</i>				
At 1 April 2012	55,470	330 354	430 105	815,929
Provided for the year	35 621	97,391	83 524	216 536
Disposals	(17 572)	(1 190)	-	(18,762)
	<u>73,519</u>	<u>426 555</u>	<u>513,629</u>	<u>1,013,703</u>
<i>Net book value</i>				
At 31 March 2013	<u>63,001</u>	<u>589 190</u>	<u>106,630</u>	<u>758,821</u>
At 31 March 2012	<u>50 950</u>	<u>664,746</u>	<u>66 296</u>	<u>781 992</u>

Buy It Direct Limited

Notes forming part of the financial statements
for the year ended 31 March 2013 (continued)

12 Fixed asset investments

Group

	Joint ventures £	Other investments - other than loans £	Total £
<i>Cost</i>			
At 1 April 2012	160 000	183,594	343 594
Disposals	-	(13 583)	(13,583)
Transfers	(160 000)	-	(160,000)
At 31 March 2013	-	170,011	170,011

HSBC Bank plc has a First Mortgage dated 1 May 2005 over a life assurance policy of £60 000 included above. It also has a debenture including a fixed charge over all present freehold and leasehold property, a first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future and first floating charge over all assets and undertakings both present and future dated 22 June 2001.

Company

	Group undertakings £	Joint ventures £	Other investments - other than loans £	Total £
<i>Cost</i>				
At 1 April 2012	-	160 000	183 594	343,594
Additions	471,000	-	-	471 000
Disposals	-	-	(13 583)	(13,583)
Transfers	160 000	(160 000)	-	-
At 31 March 2013	631,000	-	170 011	801,011

Subsidiary undertakings

The principal subsidiary undertakings are

	Country of incorporation or registration	Class of share capital held	Proportion of share capital held	Nature of business
<i>Subsidiary undertakings</i>				
Be Retail Limited	England and Wales	Ordinary	100%	Retail of baby products
Quedell Limited	England and Wales	Ordinary	100%	Dormant

Be Retail Limited was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. Accordingly, the individual financial statements of Be Retail Limited have not been audited.

Buy It Direct Limited

Notes forming part of the financial statements
for the year ended 31 March 2013 (continued)

12 Fixed asset investments (continued)

On 1 September 2012 the company acquired the remaining 50% of the share capital of Be Retail Limited

13 Stocks

	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Finished goods and goods for resale	<u>6,418,029</u>	<u>5 099,493</u>	<u>5,752 608</u>	<u>5 099 493</u>

There is no material difference between the replacement cost of stocks and the amounts stated above

14 Debtors

	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Trade debtors	3,392,774	1 602,195	3,392,774	1 602,195
Amounts owed by group undertakings	286,206	3,789 000	326,413	3 789 000
Directors' loan accounts	289,151	42,876	289,151	42,876
Other debtors	1,803,494	849 188	1,745,281	849 188
Prepayments and accrued income	<u>1,516,863</u>	<u>1 739,832</u>	<u>1,509,439</u>	<u>1 739,832</u>
	<u>7,288,488</u>	<u>8,023 091</u>	<u>7,263,058</u>	<u>8 023 091</u>

All amounts shown under debtors fall due for payment within one year

The amounts disclosed as owed by group undertakings in the prior year were owed by Be Retail Limited which was a joint venture investment at that time

Buy It Direct Limited

Notes forming part of the financial statements
for the year ended 31 March 2013 (continued)

15 Creditors amounts falling due within one year

	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Trade creditors	9,873,816	8 305,292	9,815,100	8 305 292
Amounts owed to group undertakings	286,206	3 378 929	-	3 378 929
Corporation tax	195,356	66,992	184 662	66 992
Other taxation and social security	1,166,801	724 222	1,119,072	724 222
Other creditors	42,800	-	-	-
Accruals and deferred income	1,226,241	1 069 163	1,146,991	1 069 163
	<u>12,791,220</u>	<u>13,544,598</u>	<u>12,265 825</u>	<u>13,544 598</u>

The amounts disclosed as owed to group undertakings in the prior year were owed to Be Retail Limited which was a joint venture investment at that time

16 Provisions for liabilities

Group

	Deferred taxation £
At 1 April 2012	18,818
Credited to profit and loss account	(11 573)
Undertaking acquired	270
	<u>7 515</u>
At 31 March 2013	<u>7 515</u>

Company

	Deferred taxation £
At 1 April 2012	18,818
Credited to profit and loss account	(11 553)
	<u>7,265</u>
At 31 March 2013	<u>7,265</u>

Buy It Direct Limited

Notes forming part of the financial statements
for the year ended 31 March 2013 (*continued*)

16 Provisions for liabilities (*continued*)

Deferred taxation

	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Accelerated capital allowances	7,515	18,818	7,265	18,818

17 Pensions

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge amounted to £110,469 (2012 - £81,860). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

18 Share capital

	2013 £	2012 £
<i>Allotted, called up and fully paid</i>		
1 Ordinary share of £1 each	1	1
100,000 Ordinary class 2 shares of £0.01 each	1,000	1,000
1,000 B class shares of £0.01 each	10	10
	<u>1,011</u>	<u>1,011</u>

The B class shares carry no voting rights. In all other respects the Ordinary shares, Ordinary class 2 shares and B class shares rank *pari passu*. All these classes of shares are classified as equity.

19 Reserves

Group

	Profit and loss account £
At 1 April 2012	4,438,022
Profit for the year	348,556
Dividends	(100,000)
	<u>4,686,578</u>
At 31 March 2013	

Buy It Direct Limited

Notes forming part of the financial statements
for the year ended 31 March 2013 (*continued*)

19 Reserves (*continued*)

Company

	Profit and loss account £
At 1 April 2012	4 438 022
Profit for the year	359 642
Dividends	(100 000)
	<hr/>
At 31 March 2013	4 697,664
	<hr/>

20 Reconciliation of movements in shareholder's funds

	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Profit for the year	348 556	378 825	359,642	378,825
Dividends	(100,000)	(100,000)	(100,000)	(100 000)
	<hr/>	<hr/>	<hr/>	<hr/>
Net additions to shareholder's funds	248,556	278 825	259,642	278,825
Opening shareholder's funds	4,439,033	4 160 208	4,439,033	4 160,208
	<hr/>	<hr/>	<hr/>	<hr/>
Closing shareholder's funds	4,687,589	4,439 033	4,698,675	4,439 033
	<hr/>	<hr/>	<hr/>	<hr/>

Buy It Direct Limited

Notes forming part of the financial statements
for the year ended 31 March 2013 (*continued*)

21 Acquisitions

Acquisition of Be Retail Limited

On 1 September 2012 the company acquired the remaining 50% of the share capital of Be Retail Limited thereby increasing its shareholding to 100%

In calculating the goodwill arising on acquisition, the fair value of the net assets of Be Retail Limited have been assessed. There were no differences identified between book value and fair value

	Book and fair value £
Fixed assets	
Tangible	1 350
Current assets	
Stocks	375,272
Debtors	128 921
Cash at bank and in hand	5,384
	<hr/>
Total assets	510 927
Creditors	
Due within one year	338,572
	<hr/>
Total assets less current liabilities	172 355
Provisions	
Deferred taxation	270
	<hr/>
Net assets	172 085
	<hr/> <hr/>
	£
Cash consideration to acquire initial 50% share	160 000
Cash consideration to acquire remaining 50% share	400 000
Net assets acquired	172 085
	<hr/>
Goodwill arising on acquisition	387,915
	<hr/> <hr/>

The profit after tax of Be Retail Limited for the year ended 31 August 2012 was £200 569

Buy It Direct Limited

Notes forming part of the financial statements
for the year ended 31 March 2013 (*continued*)

21 Acquisitions (*continued*)

Cash flows

The net outflow of cash arising from the acquisition of Be Retail Limited was as follows

	£
Cash consideration in year to acquire remaining 50% share	400 000
Cash acquired	(5 384)
	<hr/>
Net outflow of cash	394 616
	<hr/>

Acquisition of Quedell Limited

On 14 December 2012 the company acquired the share capital of Quedell Limited

In calculating the goodwill arising on acquisition the fair value of the net assets of Quedell Limited have been assessed. There were no differences identified between book value and fair value

	Book and fair value £
Fixed assets	
Tangible	71,000
	<hr/>
	£
Cash consideration	71 000
Net assets acquired	71,000
	<hr/>
Goodwill arising on acquisition	-
	<hr/>

The profit after tax of Quedell Limited from the beginning of its financial year to the date of acquisition was £Nil

Cash flows

The net outflow of cash arising from the acquisition of Quedell Limited was as follows

	£
Cash consideration as above	71 000
	<hr/>
Net outflow of cash	71 000
	<hr/>

Buy It Direct Limited

Notes forming part of the financial statements
for the year ended 31 March 2013 (*continued*)

22 Commitments under operating leases

The group and company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2013 £	Other 2013 £	Land and buildings 2012 £	Other 2012 £
Operating leases which expire				
Within one year	-	-	135,365	358
In two to five years	-	11,825	265,000	11 825
After five years	431 626	-	-	-
	<u>431.626</u>	<u>11,825</u>	<u>400,365</u>	<u>12 183</u>

23 Related party disclosures

Controlling parties

The company's ultimate controlling party is N H Glynne

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with its wholly owned subsidiaries

Related party transactions and balances

N H Glynne has a 50% shareholding in Network Places Limited a company registered in England and Wales which provides network support. During the year Buy It Direct Limited made sales to Network Places Limited of £764 (2012 £847) and purchases from Network Places Limited of £260,349 (2012 £172,370). Included in trade creditors is £464 290 (2012 £407 681) due to Network Places Limited and a further £110,000 (2012 £119 308) included in accruals.

During the year the company loaned £1 313,375 to U Cover Limited a company in which N H Glynne is a shareholder and director. The maximum amount outstanding was £1,313,375. The amount outstanding at 31 March 2013 was £1,295 568 which is included in other debtors. Interest is charged at 1.9% above the LIBOR rate on this loan. Subsequent to this the company entered into a property lease with U Cover Limited. Rent of £76 000 has been charged by U Cover Limited during the year. Management consider both the interest and the rent to be on an arms length basis.

Loans and transactions concerning directors and officers of the company

During the year the company loaned N H Glynne an amount of £289 151 (2012 £42 876). The maximum amount outstanding during the year was £304 535.

24 Post balance sheet events

Dividends totalling £150 000 were declared subsequent to the balance sheet date.

Buy It Direct Limited

Notes forming part of the financial statements
for the year ended 31 March 2013 (*continued*)

25 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities

	2013 £	2012 £
Operating profit	521,795	453,951
Amortisation of intangible fixed assets	45,256	-
Depreciation of tangible fixed assets	216,623	243,254
Profit on sale of tangible fixed assets	(5,441)	(9,946)
Unrealised gain on sale of investments	-	(2,882)
Increase in stocks	(943,264)	(99,111)
Decrease/(increase) in debtors	863,524	(4,158,357)
(Decrease)/increase in creditors	(1,220,314)	6,734,836
	<u>(521,821)</u>	<u>3,161,745</u>
Net cash (outflow)/inflow from operating activities		

26 Reconciliation of net cash flow to movement in net funds

	2013 £	2012 £
(Decrease)/increase in cash	(1,318,226)	2,051,927
Opening net funds	<u>3,754,279</u>	<u>1,702,352</u>
Closing net funds	<u>2,436,053</u>	<u>3,754,279</u>

27 Analysis of net funds

	At 1 April 2012 £	Cash flow £	At 31 March 2013 £
Cash at bank and in hand	<u>3,754,279</u>	<u>(1,318,226)</u>	<u>2,436,053</u>
Total	<u>3,754,279</u>	<u>(1,318,226)</u>	<u>2,436,053</u>