

## Buy It Direct Ltd

Annual Report and Financial Statements

Year Ended

31 March 2017

Company Number 04171412

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# Buy It Direct Ltd

## Company Information

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<b>Directors</b>	N H Glynne S A Barnett A Field M J Mitchell J Rigg
<b>Registered number</b>	04171412
<b>Registered office</b>	Unit A Trident Business Park Leeds Road Huddersfield West Yorkshire HD2 1UA
<b>Independent auditors</b>	BDO LLP Central Square 29 Wellington Street Leeds LS1 4DL

# Buy It Direct Ltd

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# Buy It Direct Ltd

## Strategic Report For the Year Ended 31 March 2017

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The directors present their strategic report together with the audited financial statements for the year ended 31 March 2017.

### Principal activities and business review

The principal activity of the company is the online retailing of electrical products and furniture, primarily to consumers and businesses in the United Kingdom.

2017 was a year of further investment in the company's long term strategy, but also saw the benefits of investments in recent years. This was particularly seen in the company's turnover, growing 21% to £146.5m in 2017 from £120.8m in 2016. Further major investment in the company's infrastructure meant pre-tax profits were £1.5m in 2017 compared to £2.6m in 2016. The company continues to see many opportunities despite an uncertain economic climate, and is continuing to responsibly invest in its long term strategy.

### Key performance indicators

The board monitors on a regular basis the key operational and financial performance indicators, which are relevant to the growth and sustainability of the business. These KPIs are linked to the annual budgets and enable the Board to maintain a tight control over the business. There has been no material variation in the KPIs during the year compared with the previous year.

### Principal risks and uncertainties

The board regularly assesses the risks facing the business and ensures that adequate protections are in place against both operational and market risks.

This report was approved by the board on 11 DECEMBER 2017 and signed on its behalf.



N H Glynn  
Director

# Buy It Direct Ltd

## Directors' Report For the Year Ended 31 March 2017

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The directors present their report together with audited financial statements for the year ended 31 March 2017.

### Results and dividends

The profit for the year, after taxation, amounted to £1,213,291 (2016 - £2,138,246).

Interim dividends of £550,445 (2016 - £149,989) were paid to ordinary shareholders during the year. The directors do not recommend the payment of a final dividend.

### Business review

A review of the business and its principal risks and uncertainties is set out in the strategic report on page 1 of these financial statements.

### Directors

The directors who served during the year were:

N H Glynne  
S A Barnett  
A Field  
M J Mitchell  
J Rigg  
J Ferguson (appointed and resigned in the year)

### Employee involvement

The group maintains a company intranet with information to aid employees. Additionally a staff forum is held bi-monthly to ensure employees are involved in what is happening within the business and to raise any suggestions or concerns they may have to be dealt with accordingly. A HR Doctor is also in place to provide time for individuals to seek support on an individual basis. An annual staff survey is completed which enables staff to express views on matters that affect them on an anonymous basis and to gain views on significant matters.

### Disabled employees

The company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Particular attention is given to the training and promotion of disabled employees to ensure that their career development is not unfairly restricted by their disability, or perceptions of it.

### Disclosure of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

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

# Buy It Direct Ltd

## Directors' Report (continued) For the Year Ended 31 March 2017

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### Post balance sheet events

There have been no significant events affecting the company since the year end.

### Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 11 DECEMBER 2017 and signed on its behalf.



**N H Glynn**  
Director

# **Buy It Direct Ltd**

## **Directors' Responsibilities Statement For the Year Ended 31 March 2017**

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The directors are responsible for preparing the strategic report, 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 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 company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

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 Ltd**

## **Independent Auditors' Report to the Members of Buy It Direct Ltd**

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We have audited the financial statements of Buy It Direct Ltd for the year ended 31 March 2017 which comprise, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows 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 members, as a body, 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 members 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 members as a body, 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](http://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 company's affairs as at 31 March 2017 and of its 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, based on the work undertaken in the course of the audit:

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.



## Buy It Direct Ltd

### Independent Auditors' Report to the Members of Buy It Direct Ltd (continued)

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#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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, 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; 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 work.



Paul Davies (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Leeds  
United Kingdom

13 December 2017

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

# Buy It Direct Ltd

## Statement of Comprehensive Income For the Year Ended 31 March 2017

	Note	2017 £	2016 £
Turnover	4	146,487,302	120,706,687
Cost of sales		(119,025,919)	(97,185,104)
<b>Gross profit</b>		<b>27,461,383</b>	<b>23,521,583</b>
Distribution costs		(6,891,661)	(6,009,975)
Administrative expenses		(19,042,906)	(14,902,464)
<b>Operating profit</b>	5	<b>1,526,816</b>	<b>2,609,144</b>
Interest receivable and similar income	9	17,311	3,693
Interest payable and similar charges	10	(900)	(7,953)
<b>Profit before tax</b>		<b>1,543,227</b>	<b>2,604,884</b>
Tax on profit	11	(329,936)	(466,638)
<b>Profit and total comprehensive income for the financial year</b>		<b>1,213,291</b>	<b>2,138,246</b>

The notes on pages 12 to 27 form part of these financial statements.

**Buy It Direct Ltd**  
Registered number: 04171412

**Statement of Financial Position**  
**As at 31 March 2017**

	Note	2017 £	2017 £	2016 £	2016 £
<b>Fixed assets</b>					
Tangible assets	13		848,266		676,676
Investments	14		218,856		201,671
			<u>1,067,122</u>		<u>878,347</u>
<b>Current assets</b>					
Stocks	15	14,765,416		10,850,730	
Debtors: amounts falling due within one year	16	7,134,813		8,457,491	
Cash at bank and in hand		2,656,115		1,952,228	
		<u>24,556,344</u>		<u>21,260,449</u>	
Creditors: amounts falling due within one year	17	(16,603,776)		(13,943,546)	
<b>Net current assets</b>			<u>7,952,568</u>		<u>7,316,903</u>
<b>Total assets less current liabilities</b>			<u>9,019,690</u>		<u>8,195,250</u>
Creditors: amounts falling due after more than one year			(122,522)		-
<b>Provisions for liabilities</b>					
Deferred tax	21		(38,711)		(49,639)
<b>Net assets</b>			<u><u>8,858,457</u></u>		<u><u>8,145,611</u></u>
<b>Capital and reserves</b>					
Called up share capital	22		1,011		1,011
Profit and loss account	23		8,857,446		8,144,600
<b>Total equity</b>			<u><u>8,858,457</u></u>		<u><u>8,145,611</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

11 DECEMBER 2017



**N H Glynne**  
Director

The notes on pages 12 to 27 form part of these financial statements.

# Buy It Direct Ltd

## Statement of Changes in Equity For the Year Ended 31 March 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2016	1,011	8,144,600	8,145,611
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,213,291	1,213,291
<b>Total comprehensive income for the year</b>	-	1,213,291	1,213,291
Dividends paid	-	(500,445)	(500,445)
<b>Total transactions with owners</b>	-	(500,445)	(500,445)
<b>At 31 March 2017</b>	<b>1,011</b>	<b>8,857,446</b>	<b>8,858,457</b>

## Statement of Changes in Equity For the Year Ended 31 March 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2015	1,011	6,156,343	6,157,354
<b>Comprehensive income for the year</b>			
Profit for the year	-	2,138,246	2,138,246
<b>Total comprehensive income for the year</b>	-	2,138,246	2,138,246
Dividends paid	-	(149,989)	(149,989)
<b>Total transactions with owners</b>	-	(149,989)	(149,989)
<b>At 31 March 2016</b>	<b>1,011</b>	<b>8,144,600</b>	<b>8,145,611</b>

The notes on pages 12 to 27 form part of these financial statements.

# Buy It Direct Ltd

## Statement of Cash Flows For the Year Ended 31 March 2017

	2017 £	2016 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	1,213,291	2,138,246
<b>Adjustments for:</b>		
Depreciation of tangible assets	340,359	265,195
Profit on disposal of tangible assets	-	(8,500)
Interest paid	900	7,953
Interest received	(17,311)	(3,693)
Taxation charge	329,936	466,638
Increase in stocks	(3,914,686)	(2,301,051)
Decrease/(increase) in debtors	1,322,678	(542,428)
Increase in creditors	1,106,877	1,191,092
Fixed asset investment	(17,185)	-
Corporation tax paid	(358,458)	(429,697)
<b>Net cash generated from operating activities</b>	<b>6,401</b>	<b>783,755</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(511,949)	(295,166)
Sale of tangible fixed assets	-	8,500
Sale of other investments	-	7,953
Interest received	17,311	3,693
<b>Net cash from investing activities</b>	<b>(494,638)</b>	<b>(275,020)</b>

# Buy It Direct Ltd

## Statement of Cash Flows (continued) For the Year Ended 31 March 2017

	2017 £	2016 £
<b>Cash flows from financing activities</b>		
New secured loans	1,499,793	946,518
Repayment of/new finance leases	193,676	-
Dividends paid	(500,445)	(149,989)
Interest paid	(900)	(7,953)
<b>Net cash used in financing activities</b>	<b>1,192,124</b>	<b>788,576</b>
<b>Net increase in cash and cash equivalents</b>	<b>703,887</b>	<b>1,297,311</b>
Cash and cash equivalents at beginning of year	1,952,228	654,917
<b>Cash and cash equivalents at the end of year</b>	<b>2,656,115</b>	<b>1,952,228</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	2,656,115	1,952,228
	<b>2,656,115</b>	<b>1,952,228</b>

The notes on pages 12 to 27 form part of these financial statements.

# Buy It Direct Ltd

## Notes to the Financial Statements For the Year Ended 31 March 2017

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### 1. Company information

Buy It Direct Ltd is a company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the strategic report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 Consolidated accounts

The company has taken advantage of the exemptions under s402 of the Companies Act 2006 to be excluded from the consolidation as its inclusion is not material for the purpose of giving a true and fair view.

#### 2.3 Revenue

Revenue represents sales to external customers at invoiced amounts less value added tax. Revenue is recognised on despatch of goods, which is when the risks and rewards of ownership are deemed to have been passed to the customer.

#### 2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

# Buy It Direct Ltd

## Notes to the Financial Statements For the Year Ended 31 March 2017

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### 2. Accounting policies (continued)

#### 2.4 Tangible fixed assets (continued)

##### Depreciation

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Leasehold improvements	- 10% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 20% - 33% straight line
Website development	- 50% straight line

#### 2.5 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.

#### 2.6 Operating leases

All leases are treated as operating leases. Their annual rentals are charged to the statement of comprehensive income on a straight-line basis over the term of the lease.

#### 2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

#### 2.8 Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a moving average cost basis. Net realisable value is based on estimated selling price.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

#### 2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.



# Buy It Direct Ltd

## Notes to the Financial Statements For the Year Ended 31 March 2017

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### 2. Accounting policies (continued)

#### 2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

#### 2.11 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### 2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

# Buy It Direct Ltd

## Notes to the Financial Statements For the Year Ended 31 March 2017

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### 2. Accounting policies (continued)

#### 2.13 Foreign currency translation

##### Functional and presentation currency

The company's functional and presentational currency is GBP.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income'.

#### 2.14 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

#### 2.16 Pensions

##### Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

# Buy It Direct Ltd

## Notes to the Financial Statements For the Year Ended 31 March 2017

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### 2. Accounting policies (continued)

#### 2.17 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

#### 2.18 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

#### 2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Stock valuation

The company estimates the impairment of the carrying value of stock by assessing the amount and value of the obsolete and slow-moving stock, using their judgement of the future sales value generated by those stock items.

# Buy It Direct Ltd

## Notes to the Financial Statements For the Year Ended 31 March 2017

### 4. Turnover

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	141,793,620	118,530,037
Rest of the world	4,693,682	2,176,650
	<u>146,487,302</u>	<u>120,706,687</u>

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

### 5. Operating profit

The operating profit is stated after charging/(crediting):

	2017 £	2016 £
Depreciation of tangible fixed assets	340,359	265,195
Exchange differences	60,482	(289,406)
Other operating lease rentals	509,217	631,700
Defined contribution pension cost	54,744	48,942
	<u>964,802</u>	<u>676,431</u>

### 6. Auditors' remuneration

	2017 £	2016 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	24,500	23,200
Fees payable to the company's auditor for taxation compliance services	5,250	5,250
	<u>29,750</u>	<u>28,450</u>

# Buy It Direct Ltd

## Notes to the Financial Statements For the Year Ended 31 March 2017

### 7. Employees

Staff costs, including directors' remuneration, were as follows:

	2017 £	2016 £
Wages and salaries	7,479,627	6,267,721
Social security costs	665,377	532,407
Other pension costs	54,744	48,942
	<u>8,199,748</u>	<u>6,849,070</u>

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

	2017 No.	2016 No.
Production and development staff	15	14
Administrative staff	155	169
Management staff	6	5
Sales staff	146	85
	<u>322</u>	<u>273</u>

### 8. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	515,009	413,298
Company contributions to defined contribution pension schemes	3,000	3,000
	<u>518,009</u>	<u>416,298</u>

During the year retirement benefits were accruing to 1 director (2016 -1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £191,248 (2016 - £141,303).

### 9. Interest receivable and similar income

	2017 £	2016 £
Other interest receivable	<u>17,311</u>	<u>3,693</u>

# Buy It Direct Ltd

## Notes to the Financial Statements For the Year Ended 31 March 2017

### 10. Interest payable and similar charges

	2017 £	2016 £
Bank interest payable	105	-
Other interest payable	795	7,953
	<u>900</u>	<u>7,953</u>

### 11. Taxation

	2017 £	2016 £
<b>Corporation tax</b>		
Current tax on profits for the year	275,066	492,869
Adjustments in respect of previous periods	65,798	(42,358)
<b>Total current tax</b>	<u>340,864</u>	<u>450,511</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(5,886)	19,399
Changes to tax rates	(2,623)	(3,359)
Adjustments in respect of previous periods	(2,419)	87
<b>Total deferred tax</b>	<u>(10,928)</u>	<u>16,127</u>
<b>Taxation on profit on ordinary activities</b>	<u><u>329,936</u></u>	<u><u>466,638</u></u>

# Buy It Direct Ltd

## Notes to the Financial Statements For the Year Ended 31 March 2017

### 11. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - lower than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>1,543,227</u>	<u>2,604,884</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	308,645	520,977
<b>Effects of:</b>		
Fixed asset differences	3,509	6,034
Expenses not deductible for tax purposes	8,458	599
Adjustment to tax charge in respect of previous periods	65,798	(42,271)
Adjustments to tax charge in respect of previous periods - deferred tax	(2,419)	-
Change in tax rates	15,098	14,351
Change in deferred tax rate	(14,620)	-
Deferred tax not recognised	(54,533)	(33,052)
<b>Total tax charge for the year</b>	<u><b>329,936</b></u>	<u><b>466,638</b></u>

#### Factors that may affect future tax charges

The company had trading losses available to carry forward of £730,991 at 31 March 2017 (2016 - £993,346). The company has not recognised a deferred tax asset on these losses as their future recoverability is uncertain.

### 12. Dividends

	2017 £	2016 £
<b>Ordinary class 2 shares</b>		
Interim paid of £4.95 per ordinary share (2016 - £1.48 per ordinary share)	<u>500,445</u>	<u>149,989</u>

# Buy It Direct Ltd

## Notes to the Financial Statements For the Year Ended 31 March 2017

### 13. Tangible fixed assets

	Leasehold improvements £	Motor vehicles £	Fixtures and fittings £	Website development costs £	Total £
<b>Cost</b>					
At 1 April 2016	652,059	137,936	556,534	1,013,911	2,360,440
Additions	-	251,733	92,797	167,419	511,949
At 31 March 2017	652,059	389,669	649,331	1,181,330	2,872,389
<b>Depreciation</b>					
At 1 April 2016	369,457	81,684	367,400	865,223	1,683,764
Charge for the year	65,385	62,010	56,797	156,167	340,359
At 31 March 2017	434,842	143,694	424,197	1,021,390	2,024,123
<b>Net book value</b>					
At 31 March 2017	217,217	245,975	225,134	159,940	848,266
At 31 March 2016	282,602	56,252	189,134	148,688	676,676



# Buy It Direct Ltd

## Notes to the Financial Statements For the Year Ended 31 March 2017

### 14. Fixed asset investments

	Group undertakings £	Other investments - other than loans £	Total £
<b>Cost</b>			
At 1 April 2016	71,000	201,671	272,671
Additions	-	17,185	17,185
At 31 March 2017	71,000	218,856	289,856
<b>Provisions</b>			
At 1 April 2016	71,000	-	71,000
At 31 March 2017	71,000	-	71,000
<b>Net book value</b>			
At 31 March 2017	-	218,856	218,856
At 31 March 2016	-	201,671	201,671

HSBC Bank plc has a First Mortgage dated 1 May 2005 over a life assurance policy of £60,000 included above.

### 15. Stocks

	2017 £	2016 £
Finished goods and goods for resale	14,765,416	10,850,730

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

Stocks recognised as an expense in the year was £119,359,446 (2016 - £99,543,796).

# Buy It Direct Ltd

## Notes to the Financial Statements For the Year Ended 31 March 2017

### 16. Debtors

	2017 £	2016 £
Trade debtors	3,434,172	4,959,640
Amounts owed by associated undertakings	2,296,638	1,918,445
Director's loan accounts	120,604	184,944
Other debtors	25,166	6,737
Prepayments and accrued income	1,258,233	1,387,725
	<u>7,134,813</u>	<u>8,457,491</u>

The impairment loss recognised in the profit or loss for the year in respect of bad and doubtful trade debtors was £9,556 (2016 - £7,752).

### 17. Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans	2,446,311	946,518
Trade creditors	9,751,792	9,966,663
Corporation tax	171,604	189,198
Other taxation and social security	2,332,880	1,574,277
Other creditors	152,606	181,135
Obligations under finance lease and hire purchase contracts	71,154	-
Accruals and deferred income	1,487,924	1,085,755
Directors loan	189,505	-
	<u>16,603,776</u>	<u>13,943,546</u>

### 18. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Obligations under finance leases and hire purchase contracts	<u>122,522</u>	<u>-</u>

# Buy It Direct Ltd

## Notes to the Financial Statements For the Year Ended 31 March 2017

### 19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Within one year	71,154	-
Between 1-2 years	122,522	-
	<u>193,676</u>	<u>-</u>

### 20. Financial instruments

	2017 £	2016 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>8,522,312</u>	<u>9,021,994</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>14,524,171</u>	<u>12,180,071</u>

Financial assets measured at amortised cost comprise trade debtors, directors' loan accounts, other debtors and cash in hand and at bank.

Financial liabilities measured at amortised cost comprise other loans, trade creditors, other creditors and accruals.

### 21. Deferred taxation

	2017 £
At beginning of year	49,639
Charged to profit or loss	(10,928)
<b>At end of year</b>	<u><u>38,711</u></u>

# Buy It Direct Ltd

## Notes to the Financial Statements For the Year Ended 31 March 2017

### 21. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	38,711	50,145
Short term timing differences	-	(506)
	<u>38,711</u>	<u>49,639</u>

### 22. Share capital

	2017 £	2016 £
<b>Allotted, called up and fully paid</b>		
79,151 ordinary A shares shares of £0.01 each	792	792
21,949 ordinary B shares shares of £0.01 each	219	219
	<u>1,011</u>	<u>1,011</u>

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

### 23. Reserves

The company's capital and reserves are as follows:

#### Called up share capital

The called up share capital represents the nominal value of the shares issued.

#### Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

### 24. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £51,744 (2016 - £48,942). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

# Buy It Direct Ltd

## Notes to the Financial Statements For the Year Ended 31 March 2017

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### 25. Commitments under operating leases

At 31 March 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Within one year	509,417	509,417
In two to five years	1,437,972	1,604,472
After five years	730,653	996,279
	<u>2,678,042</u>	<u>3,110,168</u>

# Buy It Direct Ltd

## Notes to the Financial Statements For the Year Ended 31 March 2017

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### 26. Related party transactions

N H Glynne has a 50% shareholding in Network Places Limited (in liquidation), a company registered in England and Wales which provides network support. During the year Buy It Direct Ltd made purchases from Network Places Limited (in liquidation) of £Nil (2016 - £205,513). Included in trade creditors is £Nil (2016 - £291,135) due to Network Places Limited (in liquidation), a further £Nil is included in debtors (2016 - £175,868 included in accruals).

During the year Buy It Direct Ltd was recharged £65,000 (2016 - £55,000) from A G Systems Limited, a company in which S A Barnett is a common director. Included in trade debtors is £Nil (2016 - £439) due from A G Systems Limited and a further £15,000 (2016 - £5,000) is included in accruals.

During the year to 31 March 2013 the company loaned £1,313,375 to UCover Limited, a company in which N H Glynne is a shareholder and director. The maximum amount outstanding in the year to 31 March 2017 was £1,392,740 (2016 - £1,098,678). The amount outstanding at 31 March 2017 was £1,308,927 (2016 - £939,303) which is included in other debtors. Interest is charged at 1.9% above LIBOR on this loan. Subsequent to this the company entered into a property lease with UCover Limited. Rent of £318,751 (2016 - £265,626) has been charged by UCover Limited during the year. Management consider both the interest and the rent to be on an arm's length basis.

During the year to 31 March 2015 the company loaned £837,775 to Trident 2010 Limited, a company in which N H Glynne is a shareholder and director. The maximum amount outstanding in the year to 31 March 2017 was £820,525 (2016 - £837,775). The amount outstanding at 31 March 2017 was £307,025 (2016 - £803,275) which is included in other debtors. Interest is charged at 1.9% above LIBOR on this loan. Subsequent to this the company entered into a property lease with Trident 2010 Limited. Rent of £69,000 (2016 - £57,500) has been charged by Trident 2010 Limited during the year. Management consider both the interest and the rent to be on an arm's length basis.

During the year to 31 March 2017 the company loaned £680,686 to One Fortress Limited, a company in which N H Glynne is a shareholder and director. The maximum amount outstanding in the year to 31 March 2017 was £680,686 (2016 - £Nil). The amount outstanding at 31 March 2017 was £680,686 (2016 - £Nil) which is included in other debtors. Interest is charged at 1.9% above LIBOR on this loan. Management consider the interest to be on an arm's length basis.

#### Loans and transactions concerning directors and officers of the company

At 31 March 2017, N H Glynne was due £189,505 from the company. At 31 March 2016, the company was due £59,740 from N H Glynne. The maximum amount outstanding by the company to N H Glynne during the year was £839,379. The maximum amount outstanding by N H Glynne to the company during the year was £60,621 (2016 - £87,891).

At 31 March 2017, the company was due £120,604 from A Field (2016 - £125,204). The maximum amount outstanding during the year was £125,204 (2016 - £127,404).

### 27. Controlling party

The company's ultimate controlling party is N H Glynne.