

Buy It Direct Ltd

Annual Report and Financial Statements

Year Ended

31 March 2020

Company Number 04171412

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Buy It Direct Ltd

Company Information

Directors	N H Glynne S A Barnett B Jackson B Gaunt
Registered number	04171412
Registered office	Unit A, Trident Business Park Leeds Road Huddersfield West Yorkshire HD2 1UA
Independent auditor	BDO LLP Central Square 29 Wellington Street Leeds LS1 4DL

Buy It Direct Ltd

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Buy It Direct Ltd

Group Strategic Report For the year ended 31 March 2020

The directors present their Group Strategic Report together with the audited financial statements for the year ended 31 March 2020.

Principal activities and business review

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

2020 was another year of continuing investment in the group's long-term strategy of product range expansion and strategic acquisitions. The group continues to see the benefits of the investment in people and products over the last few years, with both turnover and operating profit in the year growing by 19% to £295m and £8.4m respectively.

During the year, BGF Investments LP acquired a minority stake in the company from existing shareholders and subscribed for £2 million of Loan Notes in the company. This investment is supporting the group's long-term growth strategy.

Future development

Despite the current economic uncertainties and particularly the challenges around Covid-19, the group has continued to grow strongly and profitably since the year end and is seeing new opportunities in which it is investing responsibly for future strategic benefit. The directors are therefore confident that the group will continue to grow profitably for the foreseeable future.

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, which include measures around marketing, operations, trading and working capital performance 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. The group is subject to a degree of exchange rate risk, which is mitigated where possible by forward exchange contracts.

Financial position at the reporting date

Group net assets were £22.0m (2019: £15.4m). With total debt of £6.2m (2019: £6.0m), cash balances of £31.4m (2019: £8.5m) and further undrawn credit facilities available, the group is in a strong net cash position, with the resources with which to pursue its long-term growth strategy.

Buy It Direct Ltd

Group Strategic Report (continued) For the year ended 31 March 2020

Going concern and the impact of Covid-19

The directors have considered the impact of the Covid-19 pandemic on demand for the group's products, its operational and trading performance, its financial and operational stability and its future cash flows.

As an online retailer, the group has managed to maintain its customer demand, supply chain, storage and delivery operations and has therefore been able to continue trading through the national disruption since the year end.

The directors continually assess the impact of Covid-19 on suppliers and the group has not seen any material impact on supply chain partners and their ability to service the group's requirements.

Notwithstanding the group's continuing performance, and recognising the wider economic uncertainty generated by the Covid-19 pandemic, various "worst case" downside scenarios have been considered by the directors. The group expects to continue to trade profitably and maintain positive cash balances under these scenarios. The group is not reliant on any bank support in order to continue trading.

The group has taken precautions to protect the welfare of its employees by enabling remote working where possible, implementing strict social distancing measures where not. It has also implemented strict hygiene measures and issued protective equipment where considered necessary.

Whilst recognising the uncertainty generated across the wider economy from the Covid-19 pandemic, the directors have carefully assessed the expected impact on the business across the key areas outlined above. On the basis of these considerations, the trading performance of the group since the start of the Covid-19 crisis, and having regard to the financial and working capital forecasting and stress testing undertaken, the directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

Section 172 statement

The board consider, both individually and collectively, that they have acted in good faith and promote the success of the group for the benefit of its stakeholders as a whole. The board's duties in this regard are as set out in section 172 of the Companies Act 2006.

The board looks to promote the success of the group, having regard to its long-term viability, for the benefit of all stakeholders and in line with regulatory requirements. This was done in particular by reference to:

- the approval of the group's strategic objectives and business plan;
- the securing of outside investment from BGF Investments LP; and
- the contractual terms of all new supplier relationships.

The board recognises that our employees are fundamental to the delivery of our plans. We aim to be a responsible employer in our approach to employees' pay, benefits and working conditions. The health, safety and well-being of our employees is of primary concern in the way we do business and is taken into account in all major decision making.

We aim to act responsibly and fairly in how we engage with our customers, suppliers, staff and investors and act on feedback received from all these stakeholders.

As the Board of Directors, our intention is to behave responsibly to all stakeholders and to ensure that management operate the business in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours. Acting in this way will contribute to the delivery of our plan and we intend to maintain our reputation within the industry for responsible behaviour.

Buy It Direct Ltd

Group Strategic Report (continued) For the year ended 31 March 2020

This report was approved by the board on 2nd October '20 and signed on its behalf.



N H Glynn
Director

Buy It Direct Ltd

Directors' Report For the year ended 31 March 2020

The directors present their report and the audited financial statements for the year ended 31 March 2020.

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.

Results and dividends

The profit for the year, after taxation and non controlling interests, amounted to £6.5m (2019 - £6.1m).

Interim dividends of £0.08m (2019 - £1.25m) were paid to ordinary shareholders during the year. The directors do not recommend the payment of a final dividend.

Directors

The directors who served during the year were:

N H Glynne
S A Barnett
A Field (resigned 28 June 2019)
M J Mitchell (resigned 14 June 2019)
J Rigg (resigned 28 June 2019)
B Jackson (appointed 28 June 2019)
B Gaunt (appointed 28 June 2019)

Engagement with employees

The Group maintains a company intranet with information to aid employees. Additionally a regular staff forum ensures 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 helpline 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.

Engagement with suppliers, customers and others

We rely on suppliers to source the products we sell and the directors are actively involved in discussions with key suppliers to ensure product quality and value for money for customers and investors.

Our customers are key to the continued existence and growth of the business and the directors obtain and act promptly upon customer feedback provided through a variety of means.

Disabled employees

The Group 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.

Qualifying third party indemnity provisions

The company maintains directors' and officers' liability insurance for the benefit of the company, the directors and its officers.

Buy It Direct Ltd

Directors' Report (continued) For the year ended 31 March 2020

Financial risk management objectives and policies

The group adopts a prudent approach to managing financial risk in the business by, inter alia:

- pursuing a hedging strategy to minimise exchange rate risk;
- following robust credit management policies and maintaining credit insurance; and
- incurring only modest levels of debt.

Matters covered in the strategic report

Disclosures required under s416(4) of the Companies Act 2006 are commented upon in the Group Strategic Report as the directors consider them to be of strategic importance to the Group.

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 and the Group's auditor is 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 and the Group's auditor is aware of that information.

Auditor

The auditor, 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

2nd October '20

and signed on its behalf.

N H Glynn
Director

Buy It Direct Ltd

Directors' Responsibilities Statement For the year ended 31 March 2020

The directors are responsible for preparing the Group 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 to 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 Auditor's Report to the Members of Buy It Direct Ltd

Opinion

We have audited the financial statements of Buy It Direct Ltd for the year ended 31 March 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2020 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- 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.

Buy It Direct Ltd

Independent Auditor's Report to the Members of Buy It Direct Ltd (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions 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.

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 and Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

Buy It Direct Ltd

Independent Auditor's Report to the Members of Buy It Direct Ltd (continued)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether 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.

Auditor's 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 auditor's 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 at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

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

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

Buy It Direct Ltd

Consolidated Statement of Comprehensive Income For the year ended 31 March 2020

	Note	2020 £000	2019 £000
Turnover	4	295,491	248,779
Cost of sales		(228,923)	(199,210)
Gross profit		66,568	49,569
Distribution costs		(14,635)	(11,625)
Administrative expenses		(43,491)	(30,843)
Operating profit	5	8,442	7,101
Interest receivable and similar income	9	112	254
Interest payable and similar expenses	10	(474)	(235)
Profit before taxation		8,080	7,120
Tax on profit	11	(1,538)	(1,052)
Profit for the financial year		6,542	6,068
Profit for the year attributable to:			
Non-controlling interests		31	8
Owners of the parent company		6,511	6,060
		6,542	6,068

There was no other comprehensive income for 2020 (2019: £Nil).

The notes on pages 20 to 40 form part of these financial statements.

Buy It Direct Ltd
Registered number:04171412

Consolidated Statement of Financial Position
As at 31 March 2020

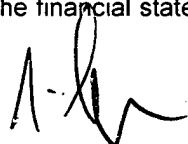
		2020	2020	As restated	As restated
	Note	£000	£000	2019	2019
				£000	£000
Fixed assets					
Intangible assets	13		44		27
Tangible assets	14		3,216		1,978
Investments	15		238		234
			<u>3,498</u>		<u>2,239</u>
Current assets					
Stocks	16	33,916		30,694	
Debtors: amounts falling due after more than one year	17	3,554		3,554	
Debtors: amounts falling due within one year	17	23,419		18,077	
Cash at bank and in hand		31,391		8,523	
		<u>92,280</u>		<u>60,848</u>	
Creditors: amounts falling due within one year	18	(71,163)		(47,454)	
Net current assets			<u>21,117</u>		<u>13,394</u>
Total assets less current liabilities			<u>24,615</u>		<u>15,633</u>
Creditors: amounts falling due after more than one year	19		(2,528)		(230)
Provisions for liabilities					
Deferred taxation	22		(131)		(17)
Net assets			<u><u>21,956</u></u>		<u><u>15,386</u></u>

Buy It Direct Ltd
Registered number:04171412

Consolidated Statement of Financial Position (continued)
As at 31 March 2020

		2020 £000	As restated 2019 £000
	Note		
Capital and reserves			
Called up share capital	23	1	1
Share premium account	24	108	-
Profit and loss account	24	21,763	15,332
Equity attributable to owners of the parent company		<u>21,872</u>	<u>15,333</u>
Non-controlling interests		84	53
Total equity		<u><u>21,956</u></u>	<u><u>15,386</u></u>

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



N H Glynne
Director

2nd October '20

The notes on pages 20 to 40 form part of these financial statements.

Buy It Direct Ltd
Registered number:04171412

Company Statement of Financial Position
As at 31 March 2020

	Note	2020 £000	2020 £000	As restated 2019 £000	As restated 2019 £000
Fixed assets					
Tangible assets	14		3,047		1,876
Investments	15		401		397
			<u>3,448</u>		<u>2,273</u>
Current assets					
Stocks	16	32,634		30,023	
Debtors: amounts falling due after more than one year	17	3,554		3,554	
Debtors: amounts falling due within one year	17	23,095		17,468	
Cash at bank and in hand		29,770		7,822	
		<u>89,053</u>		<u>58,867</u>	
Creditors: amounts falling due within one year	18	(67,822)		(45,461)	
Net current assets			<u>21,231</u>		<u>13,406</u>
Total assets less current liabilities			<u>24,679</u>		<u>15,679</u>
Creditors: amounts falling due after more than one year	19		(2,528)		(230)
Provisions for liabilities					
Deferred taxation	22		(159)		(37)
Net assets			<u><u>21,992</u></u>		<u><u>15,412</u></u>

Buy It Direct Ltd
Registered number:04171412

Company Statement of Financial Position (continued)
As at 31 March 2020

		31 March 2020 £000	As restated 31 March 2019 £000
	Note		
Capital and reserves			
Called up share capital	23	1	1
Share premium account	24	108	-
Profit and loss account	24	21,883	15,411
Total equity		<u>21,992</u>	<u>15,412</u>

The Company has taken advantage of the exemption allowed under Section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The profit after tax of the Parent Company for the year was £6,552,000 (2019 - £6,095,000).

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



N H Glynne
Director

21st Dec '20

The notes on pages 20 to 40 form part of these financial statements.

Buy It Direct Ltd

Consolidated Statement of Changes in Equity For the year ended 31 March 2020

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Equity attributable to owners of parent company £000	Non- controlling interests £000	Total equity £000
At 1 April 2019	1	-	15,332	15,333	53	15,386
Comprehensive income for the year						
Profit for the year	-	-	6,511	6,511	31	6,542
Total comprehensive income for the year	-	-	6,511	6,511	31	6,542
Contributions by and distributions to owners						
Dividends paid	-	-	(80)	(80)	-	(80)
Shares issued during the year	-	108	-	108	-	108
Total transactions with owners	-	108	(80)	28	-	28
At 31 March 2020	1	108	21,763	21,872	84	21,956

The notes on pages 20 to 40 form part of these financial statements.

Buy It Direct Ltd

Consolidated Statement of Changes in Equity For the year ended 31 March 2019

	Called up share capital £000	Profit and loss account £000	Equity attributable to owners of parent company £000	Non- controlling interests £000	Total equity £000
At 1 April 2018	1	10,522	10,523	45	10,568
Comprehensive income for the year					
Profit for the year	-	6,060	6,060	8	6,068
Total comprehensive income for the year	-	6,060	6,060	8	6,068
Contributions by and distributions to owners					
Dividends: Equity capital	-	(1,250)	(1,250)	-	(1,250)
Total transactions with owners	-	(1,250)	(1,250)	-	(1,250)
At 31 March 2019	1	15,332	15,333	53	15,386

The notes on pages 20 to 40 form part of these financial statements.

Buy It Direct Ltd

Company Statement of Changes in Equity For the year ended 31 March 2020

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 April 2019	1	-	15,411	15,412
Profit for the year	-	-	6,552	6,552
Total comprehensive income for the year	-	-	6,552	6,552
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(80)	(80)
Shares issued during the year	-	108	-	108
Total transactions with owners	-	108	(80)	28
At 31 March 2020	1	108	21,883	21,992

Company Statement of Changes in Equity For the year ended 31 March 2019

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 April 2018	1	10,566	10,567
Profit for the year	-	6,095	6,095
Total comprehensive income for the year	-	6,095	6,095
Contributions by and distributions to owners			
Dividends: Equity capital	-	(1,250)	(1,250)
Total transactions with owners	-	(1,250)	(1,250)
At 31 March 2019	1	15,411	15,412

The notes on pages 20 to 40 form part of these financial statements.

Buy It Direct Ltd

Consolidated Statement of Cash Flows For the year ended 31 March 2020

	2020 £000	2019 £000
Cash flows from operating activities		
Profit for the financial year	6,542	6,068
Adjustments for:		
Amortisation of intangible assets	3	3
Depreciation of tangible assets	1,013	659
Interest expense	474	235
Interest income	(112)	(254)
Taxation charge	1,538	1,052
Increase in stocks	(3,222)	(3,040)
Increase in debtors	(5,342)	(7,765)
Increase in creditors	25,029	11,891
Corporation tax paid	(1,167)	(295)
Net cash generated from operating activities	24,756	8,554
Cash flows from investing activities		
Purchase of intangible fixed assets	(20)	-
Purchase of tangible fixed assets	(1,910)	(580)
Sale of tangible fixed assets	-	5
Purchase of unlisted and other investments	(4)	(4)
Assets acquired on business combinations	-	(1,322)
Interest received	112	254
Net cash used in investing activities	(1,822)	(1,647)
Cash flows from financing activities		
Issue of ordinary shares	108	-
New secured loans	-	996
Repayment of loans	(1,494)	-
New loan notes	2,000	-
Repayment of finance leases	(203)	(50)
Dividends paid	(80)	(1,250)
Interest paid	(397)	(235)
Net cash used in financing activities	(66)	(539)
Net increase in cash and cash equivalents	22,868	6,368

Buy It Direct Ltd

Statement of Cash Flows (continued) For the year ended 31 March 2020

	2020 £000	2019 £000
Cash and cash equivalents at beginning of year	8,523	2,155
Cash and cash equivalents at the end of year	<u>31,391</u>	<u>8,523</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u>31,391</u>	<u>8,523</u>

The notes on pages 20 to 40 form part of these financial statements.

Buy It Direct Ltd

Notes to the Financial Statements For the year ended 31 March 2020

1. General information

Buy It Direct Ltd is a private 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 Group 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 presentation currency is GB Pounds. All amounts are rounded to the nearest thousand £.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

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:

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical;
- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

Buy It Direct Ltd

Notes to the Financial Statements For the year ended 31 March 2020

2. Accounting policies (continued)

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The directors have assessed the going concern status of the group, having regard to the financial position of the group at the year end (recognising the group had net current assets of £21.1m and net assets of £22.0m at 31 March 2020) and taking account of detailed financial and working capital forecasts which extend through to 30 September 2021.

The directors have considered the impact of the Covid-19 pandemic on demand for the group's products, its operational and trading performance, its financial and operational stability and its future cash flows.

As an online retailer, the group has managed to maintain its customer demand, supply chain, storage and delivery operations and has therefore been able to continue trading through the national disruption since the year end.

The directors continually assess the impact of Covid-19 on suppliers and the group has not seen any material impact on supply chain partners and their ability to service the group's requirements.

Notwithstanding the group's continuing performance, and recognising the wider economic uncertainty generated by the Covid-19 pandemic, various "worst case" downside scenarios have been considered by the directors. The group expects to continue to trade profitably and maintain positive cash balances under these scenarios. The group is not reliant on any bank support in order to continue trading.

The group has taken precautions to protect the welfare of its employees by enabling remote working where possible, implementing strict social distancing measures where not. It has also implemented strict hygiene measures and issued protective equipment where considered necessary.

Whilst recognising the uncertainty generated across the wider economy from the Covid-19 pandemic, the directors have carefully assessed the expected impact on the business across the key areas outlined above. On the basis of these considerations, the trading performance of the group since the start of the Covid-19 crisis, and having regard to the financial and working capital forecasting and stress testing undertaken, the directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

2.4 Turnover

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

Buy It Direct Ltd

Notes to the Financial Statements For the year ended 31 March 2020

2. Accounting policies (continued)

2.5 Operating leases

Operating lease rentals are charged to the statement of comprehensive income on a straight-line basis over the term of the lease.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 and the Group operate and generate 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 group 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.

2.9 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life of ten years.

Buy It Direct Ltd

Notes to the Financial Statements For the year ended 31 March 2020

2. Accounting policies (continued)

2.10 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 Group 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 Group. 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.

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

Assets under construction are depreciated once the asset is brought into use.

2.11 Website development

Where the group's 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.

2.12 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.

2.13 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.

Buy It Direct Ltd

Notes to the Financial Statements For the year ended 31 March 2020

2. Accounting policies (continued)

2.14 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.

2.15 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 Consolidated 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 Group's cash management.

2.16 Financial instruments

The group 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 and loans to related parties.

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.

Buy It Direct Ltd

Notes to the Financial Statements For the year ended 31 March 2020

2. Accounting policies (continued)

2.17 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.

2.18 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.19 Foreign currency translation

Functional and presentation currency

The group'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 profit or loss 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 Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.20 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.

Buy It Direct Ltd

Notes to the Financial Statements For the year ended 31 March 2020

2. Accounting policies (continued)

2.21 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss 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 Group in independently administered funds.

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 group 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.

4. Turnover

Analysis of turnover by country of destination:

	2020 £000	2019 £000
United Kingdom	278,295	234,463
Rest of the world	17,196	14,316
	<u>295,491</u>	<u>248,779</u>

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

5. Operating profit

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

	2020 £000	2019 £000
Depreciation of tangible fixed assets	1,013	659
Amortisation of goodwill	3	3
Exchange differences	(182)	(973)
Other operating lease rentals	2,849	1,581
Defined contribution pension cost	356	237
	<u>3,039</u>	<u>1,507</u>

Buy It Direct Ltd

Notes to the Financial Statements For the year ended 31 March 2020

6. Auditor's remuneration

	2020 £000	2019 £000
Fees payable to the group's auditor and its associates for the audit of the group's annual accounts	28	28
The auditing of accounts of associates of the group pursuant to legislation	7	7

7. Employees

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

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Wages and salaries	17,207	12,771	14,729	11,485
Social security costs	1,207	1,061	1,191	1,047
Cost of defined contribution scheme	356	237	347	232
	<u>18,770</u>	<u>14,069</u>	<u>16,267</u>	<u>12,764</u>

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

	Group 2020 No.	Group 2019 No.	Company 2020 No.	Company 2019 No.
Production and development staff	126	125	23	36
Administrative staff	302	244	282	222
Management staff	13	13	7	5
Sales staff	252	235	241	232
	<u>693</u>	<u>617</u>	<u>553</u>	<u>495</u>

Buy It Direct Ltd

Notes to the Financial Statements For the year ended 31 March 2020

8. Directors' remuneration

	2020 £000	2019 £000
Directors' emoluments	453	489
Company contributions to defined contribution pension schemes	11	10
	<u>464</u>	<u>499</u>

During the year retirement benefits were accruing to 5 directors (2019 - 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £162,000 (2019 - £185,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5,000 (2019 - £NIL).

9. Interest receivable and similar income

	2020 £000	2019 £000
Bank interest receivable	-	4
Other interest receivable	112	250
	<u>112</u>	<u>254</u>

10. Interest payable and similar expenses

	2020 £000	2019 £000
Bank interest payable	306	222
Other loan interest payable	154	-
Other interest payable	14	13
	<u>474</u>	<u>235</u>

Buy It Direct Ltd

Notes to the Financial Statements For the year ended 31 March 2020

11. Taxation

	2020 £000	2019 £000
Corporation tax		
Current tax on profits for the year	1,424	1,306
Adjustments in respect of previous periods	-	(244)
Total current tax	<u>1,424</u>	<u>1,062</u>
Deferred tax		
Origination and reversal of timing differences	128	(45)
Adjustments in respect of previous periods	(14)	35
Total deferred tax	<u>114</u>	<u>(10)</u>
Taxation on profit	<u><u>1,538</u></u>	<u><u>1,052</u></u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £000	2019 £000
Profit before tax	<u>8,080</u>	<u>7,120</u>
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	1,535	1,353
Effects of:		
Fixed asset differences	50	32
Expenses not deductible for tax purposes	2	6
Adjustment to tax charge in respect of previous periods	-	(244)
Adjustments to tax charge in respect of previous periods - deferred tax	(14)	35
Deferred tax not recognised	-	(136)
Other differences leading to an increase (decrease) in the tax charge	(35)	6
Total tax charge for the year	<u><u>1,538</u></u>	<u><u>1,052</u></u>

Factors that may affect future tax charges

Under legislation substantively enacted on 17 March 2020, the UK tax rate will remain at 19% from 1 April 2020 onwards. As such, there will be no changes to future tax charges.

Buy It Direct Ltd

Notes to the Financial Statements For the year ended 31 March 2020

12. Dividends

	2020 £000	2019 £000
Ordinary		
Dividend paid of £4.46 per ordinary A share (2019 - £12.36 per ordinary share)	80	1,250

13. Intangible assets

Group

	Other intangible assets £000	Goodwill £000	Total £000
Cost			
At 1 April 2019	-	32	32
Additions	20	-	20
At 31 March 2020	20	32	52
Amortisation			
At 1 April 2019	-	5	5
Charge for the year	-	3	3
At 31 March 2020	-	8	8
Net book value			
At 31 March 2020	20	24	44
At 31 March 2019	-	27	27

Buy It Direct Ltd

Notes to the Financial Statements For the year ended 31 March 2020

14. Tangible fixed assets

Group

	Leasehold improve- ments £000	Motor vehicles £000	Fixtures and fittings £000	Assets under construction £000	Website develop- ment costs £000	Total £000
Cost						
At 1 April 2019	739	764	2,037	-	1,599	5,139
Additions	226	676	466	654	229	2,251
Disposals	-	-	(71)	-	-	(71)
At 31 March 2020	965	1,440	2,432	654	1,828	7,319
Depreciation						
At 1 April 2019	643	505	673	-	1,340	3,161
Charge for the year	137	280	406	-	190	1,013
Disposals	-	-	(71)	-	-	(71)
At 31 March 2020	780	785	1,008	-	1,530	4,103
Net book value						
At 31 March 2020	185	655	1,424	654	298	3,216
At 31 March 2019	96	259	1,364	-	259	1,978

The net book value of land and buildings may be further analysed as follows:

	2020 £000	2019 £000
Long leasehold	185	96

The net book value of assets held under finance leases was £340,000 (2019 - £540,000).

Buy It Direct Ltd

Notes to the Financial Statements For the year ended 31 March 2020

14. Tangible fixed assets (continued)

Company

	Leasehold improve- ments £000	Motor vehicles £000	Fixtures and fittings £000	Assets under construction £000	Website develop- ment costs £000	Total £000
Cost						
At 1 April 2019	739	764	1,935	-	1,599	5,037
Additions	193	676	247	654	229	1,999
Disposals	-	-	(71)	-	-	(71)
At 31 March 2020	932	1,440	2,111	654	1,828	6,965
Depreciation						
At 1 April 2019	643	505	673	-	1,340	3,161
Charge for the year	135	280	223	-	190	828
Disposals	-	-	(71)	-	-	(71)
At 31 March 2020	778	785	825	-	1,530	3,918
Net book value						
At 31 March 2020	154	655	1,286	654	298	3,047
At 31 March 2019	96	259	1,262	-	259	1,876

The net book value of land and buildings may be further analysed as follows:

	2020 £000	2019 £000
Long leasehold	154	96

The net book value of assets held under finance leases was £340,000 (2019 - £540,000).

Buy It Direct Ltd

Notes to the Financial Statements For the year ended 31 March 2020

15. Fixed asset investments

Group

	Other fixed asset investments £000
Cost	
At 1 April 2019	234
Additions	4
At 31 March 2020	<u>238</u>
Net book value	
At 31 March 2020	<u>238</u>
At 31 March 2019	<u>234</u>

Company

	Investments in subsidiary companies £000	Other fixed asset investments £000	Total £000
Cost			
At 1 April 2019	163	234	397
Additions	-	4	4
At 31 March 2020	<u>163</u>	<u>238</u>	<u>401</u>
Net book value			
At 31 March 2020	<u>163</u>	<u>238</u>	<u>401</u>
At 31 March 2019	<u>163</u>	<u>234</u>	<u>397</u>

Buy It Direct Ltd

Notes to the Financial Statements For the year ended 31 March 2020

15. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
Babyway International Limited	Non-specialised wholesale trade	Ordinary	80%
Trojan Electronics 2018 Limited	Retail and refurbishment of consumer goods	Ordinary	100%
HD One Solutions Limited	Sale of bathroom products	Ordinary	100%

The registered office of the subsidiary undertakings is Unit A Trident Business Park, Neptune Way, Leeds Road, Huddersfield, West Yorkshire, HD2 1UA.

Guarantees of subsidiary undertakings (contingent liability)

The results of Babyway International Limited, Trojan Electronics 2018 Limited and HD One Solutions Limited have been consolidated in these accounts.

Babyway International Limited, Trojan Electronics 2018 Limited and HD One Solutions Limited have claimed exemption from audit under section 479A of the Companies Act 2006.

Buy It Direct Ltd has given guarantees for Babyway International Limited, Trojan Electronics 2018 Limited and HD One Solutions Limited in accordance with that act.

16. Stocks

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Work in progress	129	115	-	-
Finished goods and goods for resale	33,787	30,579	32,634	30,023
	<u>33,916</u>	<u>30,694</u>	<u>32,634</u>	<u>30,023</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

An impairment loss of £454,000 (2019 - £847,000) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

Buy It Direct Ltd

Notes to the Financial Statements For the year ended 31 March 2020

17. Debtors

	Group 2020 £000	Group As restated 2019 £000	Company 2020 £000	Company As restated 2019 £000
Due after more than one year				
Amounts owed by related parties	3,554	3,554	3,554	3,554

Amounts owed by related parties at 31 March 2019 by the Company and Group of £3,554,000 was reclassified from due within one year to due after more than one year to accurately reflect the terms of the transaction.

Amounts owed by related parties are repayable in 2023.

	Group 2020 £000	Group As restated 2019 £000	Company 2020 £000	Company As restated 2019 £000
Due within one year				
Trade debtors	9,383	7,016	7,728	6,183
Amounts owed by group undertakings	-	-	1,914	2,338
Amounts owed by related parties	568	147	568	147
Other debtors	9,110	7,770	8,981	5,756
Prepayments and accrued income	4,358	2,804	3,904	2,704
Directors loan accounts	-	340	-	340
	<u>23,419</u>	<u>18,077</u>	<u>23,095</u>	<u>17,468</u>

An impairment loss of £Nil (2019 - £13,000) was recognised in the profit or loss for the year in respect of bad and doubtful debts.

Amounts owed by group undertakings are due on demand and incur no interest.

Buy It Direct Ltd

Notes to the Financial Statements For the year ended 31 March 2020

18. Creditors: Amounts falling due within one year

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Bank loans	4,097	5,591	4,097	5,591
Trade creditors	30,672	23,412	28,485	22,300
Amounts owed to group undertakings	-	-	45	-
Corporation tax	1,430	1,173	1,430	1,194
Other taxation and social security	6,293	2,687	5,989	2,497
Obligations under finance lease and hire purchase contracts	100	183	100	183
Other creditors	748	542	391	387
Accruals and deferred income	27,823	13,866	27,285	13,309
	<u>71,163</u>	<u>47,454</u>	<u>67,822</u>	<u>45,461</u>

Amounts owed to group undertakings are due on demand and incur no interest.

Buy It Direct Ltd has given an unlimited multilateral Guarantee dated 28 April 2017 to HSBC Bank Plc in respect of the mortgage liabilities of Ucover Limited and One Fortress Limited.

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

Bank loans are secured via a fixed charge over all freehold and leasehold property and a first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future.

19. Creditors: Amounts falling due after more than one year

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Loan notes	2,077	-	2,077	-
Net obligations under finance leases and hire purchase contracts	451	230	451	230
	<u>2,528</u>	<u>230</u>	<u>2,528</u>	<u>230</u>

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

Loan notes are unsecured.

Buy It Direct Ltd

Notes to the Financial Statements For the year ended 31 March 2020

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Within one year	100	183	100	183
Between 1-5 years	451	230	451	230
	<u>551</u>	<u>413</u>	<u>551</u>	<u>413</u>

21. Financial instruments

	Group 2020 £000	Group 2019 £000
Financial assets		
Financial assets measured at fair value through profit or loss	<u>31,391</u>	<u>8,523</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and cash in hand.

Buy It Direct Ltd

Notes to the Financial Statements For the year ended 31 March 2020

22. Deferred taxation

Group

	2020 £000	2019 £000
At beginning of year	17	27
Charged/(credited) to profit or loss	114	(10)
At end of year	131	17

Company

	2020 £000	2019 £000
At beginning of year	37	26
Charged to profit or loss	122	11
At end of year	159	37

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Accelerated capital allowances	131	17	159	37

23. Share capital

	2020 £000	2019 £000
Allotted, called up and fully paid		
17,920 (2019 - 79,151) ordinary A shares of £0.01 each	-	1
84,485 (2019 - 21,949) ordinary B shares of £0.01 each	1	-
	1	1

The ordinary A shares and B shares rank pari passu, carry equal voting rights and are classified as equity.

On 28 June 2019 the Company issued 1,305 ordinary B shares of £0.01 each for a consideration of £108,315.

On 28 June 2019 the Company redesignated 68,499 ordinary A shares as ordinary B shares and redesignated 7,268 ordinary B shares as ordinary A shares.

Buy It Direct Ltd

Notes to the Financial Statements For the year ended 31 March 2020

24. Reserves

The group's capital and reserves are as follows:

Called up share capital

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

Share premium

The share premium account represents the excess of consideration received over 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.

25. Pension commitments

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 £356,000 (2019 - £237,000). Group contributions amounting to £65,000 (2019 - £47,000) were payable to the fund at year end and are included in creditors.

26. Commitments under operating leases

At 31 March 2020 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Not later than 1 year	1,718	459	1,718	440
Later than 1 year and not later than 5 years	6,680	1,199	6,680	1,172
Later than 5 years	6,981	199	6,981	199
	<u>15,379</u>	<u>1,857</u>	<u>15,379</u>	<u>1,811</u>

27. Transactions with directors

During the year, all loans due from directors were repaid. The amount owed by directors at 31 March 2019 was £340,000.

Key Management Personnel remuneration of the group is the same as directors' remuneration (see note 8).

Buy It Direct Ltd

Notes to the Financial Statements For the year ended 31 March 2020

28. Analysis of net debt

	At 1 April 2019 £000	Cash flows £000	New finance leases £000	At 31 March 2020 £000
Cash at bank and in hand	8,523	22,868	-	31,391
Debt due after 1 year	-	(2,077)	-	(2,077)
Debt due within 1 year	(5,591)	1,494	-	(4,097)
Finance leases	(413)	203	(341)	(551)
	<u>2,519</u>	<u>22,488</u>	<u>(341)</u>	<u>24,666</u>

29. Related party transactions

	Rent paid to 2020 £000	Owed by related party 2020 £000	Rent paid to 2019 £000	Owed by related party 2019 £000
UCover Limited	266	816	266	596
Trident 2010 Limited	69	306	69	293
One Fortress Limited	600	2,834	600	2,665
Le Kitchen Limited	-	137	-	135
Fresser Limited	-	5	-	5
Fat Fresser Limited	-	24	-	7

All companies listed above are related parties as they are companies in which N H Glynne is a shareholder and director.

Interest is charged at 1.9% above Base Rate on related party loans.

Management consider both interest and the rent to be on an arm's length basis.

On 28 June 2019, BGF Investments LP acquired a minority stake in the company from existing shareholders and subscribed for £2million of unsecured loan notes in the company. At 31 March 2020 the amount owed to BGF Investments LP was £2,077,000.

Interest is charged at 10% on these loan notes. Interest of £154,000 (2019 - £Nil) was charged on the loan notes of which £77,000 (2019 - £Nil) was paid during the year, together with a monitoring fee of £225,000 (2019 - £Nil). Management consider interest to be on an arm's length basis.

30. Controlling party

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