The Gift Voucher Shop Limited

Directors' report and
financial statements

Year ended 28 February 2010

Registered number 4286835

Certified as a true copy of the original

Liam Sheehan

Liam Sheehan, Director

Michael Tyndall

Michael Tyndall, Company Secretary

The Gift Voucher Shop Limited

Directors' report and financial statements

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The Gift Voucher Shop Limited

Directors and other information

Directors	Liam Sheehan (Chairman) John Daly Michael Dawson Paul Larkin Norma Marnane Patrick Nolan
Secretary	Michael Tyndall
Registered office	4 The Merlin Centre Acrewood Way St Albans Herts AL4 OJY England
Auditor	KPMG Chartered Accountants 1 Stokes Place St Stephen's Green Dublin 2 Republic of Ireland
Bankers	Bank of Ireland Bow Bells House 1 Bread Street London EC4M 9BE England
Solicitors	Blake Lapthorne Linnell Kings Court 21 Brunswick Place Southampton SO15 2AQ England

The Gift Voucher Shop Limited

Directors' report

The directors have pleasure in submitting their annual report, together with the audited financial statements of the company, for the year ended 28 February 2010

Principal activities, business review and future developments

The principal activities of the company are the sale of gift vouchers and gift cards, redeemable at merchant locations in the UK, via the Post Office Limited's office network, the Internet and through its corporate sales department

On 4 December 2009, An Post, a company registered in the Republic of Ireland, acquired 53 6% of the issued share capital of TSC Ventures Limited, the company's ultimate parent undertaking, thereby becoming the ultimate controlling entity of the company

The company made a loss of £1,957,028 (2008 £4,367,925) for the year but the directors believe that appropriate measures and procedures have been put in place to control costs and increase revenue in the short to medium term and are therefore confident of the future profitability of the company

At 28 February 2010, the company balance sheet has a shareholders' deficit of £18,467,511 (2009· £17,013,094) Since the change in ownership in December 2009, the company has received continuous support from An Post, its ultimate parent company The directors have reviewed and are confident in the budgets and business plans for the company and on that basis the directors believe it is appropriate to prepare these financial statements on the going concern basis

Results and dividends

Details of the results for the year are set out in the profit and loss account on page 9 and in the related notes forming part of the financial statements The board did not declare any dividends during the year

Directors and secretary

The directors are not required to retire from the board by rotation

The directors and secretary who held office at 28 February 2010 are listed on page 1

On 4 December 2009, Liam Sheehan, John Daly, Paul Larkin and Norma Marnane were appointed directors of the company On the same date Paul Larkin resigned as company secretary and Michael Tyndall was appointed as company secretary

On 4 December 2009, the company changed its registered address to 4 The Merlin Centre, Acrewood Way, St Albans, Herts AL4 OJY, England

The Gift Voucher Shop Limited

Directors' report *(continued)*

Political and charitable contributions

The company made no political or charitable contributions during the year

Employees

The company's policy is to give full and fair consideration to the recruitment of disabled persons having regard to their particular aptitudes and abilities Appropriate training will be arranged for disabled persons The company's personnel policies ensure that all its employees are made aware, on a regular basis, of the company's policies, programmes and progress

Creditor payment policy

The payment policy of the company is to pay all purchases within thirty days of the end of the month The payment policy applies to all payments to creditors/suppliers for revenue and capital supplies of goods and services without exception

Post balance sheet events

There were no events between the balance sheet date and the date these financial statements were approved that would require either adjustment to, or disclosure in, these financial statements

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

Auditor

During the year, KPMG, Chartered Accountants, was appointed as auditor and pursuant to Section 487 of the Companies Act 2006, will be deemed to be reappointed and KPMG, Chartered Accountants, will, therefore, continue in office

On behalf of the board

LIAM SHEEHAN, DIRECTOR

MICHAEL DAWSON, DIRECTOR

18th October 2010

The Gift Voucher Shop Limited

Statement of directors' responsibilities
for the year ended 28 February 2010

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 estimates that are reasonable and prudent,
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

On behalf of the board

LIAM SHEEHAN, DIRECTOR

MICHAEL DAWSON, DIRECTOR

18th October 2010

Independent auditor's report to the members of The Gift Voucher Shop Limited

We have audited the financial statements of Gift Voucher Shop Limited for the year ended 28 February 2010 which comprise the statement of accounting policies, profit and loss account, balance sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards (UK 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 directors' responsibilities statement set out on page 4 the directors are responsible for preparing the financial statements and for being satisfied that they give a true and fair view

Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements Further details of the scope of an audit of financial statements are provided on the Auditing Practices Board's website at http //www frc org uk/apb/scope .

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 28 February 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Independent auditor's report to the members of The Gift Voucher Shop Limited
(continued)

Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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

Caroline Flynn

18 OCTOBER 2010

Caroline Flynn (Senior Statutory Auditor)
For and on behalf of KPMG, Statutory Auditor
1 Stokes Place
St Stephen's Green
Dublin 2
Ireland
2010

The Gift Voucher Shop Limited

Statement of accounting policies
for the year ended 28 February 2010

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements are prepared in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) under the historical cost convention

Going concern

At 28 February 2010, the company balance sheet has a shareholders' deficit of £18,467,511 (2009 £17,013,094) Since the change in ownership in December 2009, the company has received continuous support from An Post, its ultimate parent company The directors have reviewed and are confident in the budgets and business plans for the company and on that basis the directors believe it is appropriate to prepare these financial statements on the going concern basis

Cashflow

The company has availed of the exemption from preparing a cashflow statement under Financial Reporting Standard 1 (revised) as it is a small company

Turnover

Turnover comprises commissions earned from the sale of gift vouchers and cards Commission is recognised at the point of sale In the case of certain vouchers, commission is receivable upon redemption For these products, commission is estimated based on the average of actual commissions received for that product over the preceding twelve months and is recognised at the point of sale

Tangible fixed assets and depreciation

Tangible fixed assets are shown at cost less accumulated depreciation

Depreciation is calculated in order to write off the cost of the tangible assets over their estimated useful lives by equal annual instalments The estimated useful lives of tangible fixed assets by reference to which depreciation has been calculated are as follows

Fixtures & fittings	-	5 years
Computer equipment	-	3 years

Taxation

Current tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date Provision is made at the rates expected to apply when the timing differences reverse Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Foreign currencies

Transactions denominated in foreign currencies are translated into pounds sterling and recorded at the rates of exchange ruling at the dates of the transactions Monetary assets and liabilities denominated in foreign currencies are translated into pounds sterling at the rates of exchange ruling at the balance sheet date or at forward purchase contract rates where such contracts exist All exchange differences are dealt with in the profit and loss account

The Gift Voucher Shop Limited

Profit and loss account
for the year ended 28 February 2010

	Note	**2010 Stg£**	2009 Stg£
Turnover - continuing operations	*1*	**968,171**	891,676
Cost of sales		**(814,714)**	(399,537)
Gross profit		**153,457**	492,139
Operating expenses	*2*	**(1,916,117)**	(3,871,040)
Operating loss– continuing operations		**(1,762,660)**	(3,378,901)
Interest payable and similar charges	*3*	**(204,105)**	(1,070,719)
Interest receivable and similar income	*4*	**9,737**	81,695
Loss on ordinary activities before taxation	*5*	**(1,957,028)**	(4,367,925)
Tax on loss on ordinary activities	*7*	**-**	-
Loss for the financial year	*14*	**(1,957,028)**	(4,367,925)

The company had no recognised gains or losses in the financial year or the preceding financial year other than those dealt with in the profit and loss account

On behalf of the board

Liam Sheehan, Director

Michael Dawson, Director

The Gift Voucher Shop Limited

Balance sheet
at 28 February 2010

	Note	**2010 Stg£**	2009 Stg£
Fixed assets			
Tangible assets	*8*	**149,995**	130,393
Current assets			
Stock	*10*	**23,669**	333,194
Debtors	*9*	**1,815,381**	1,852,071
Cash at bank and in hand		**982,904**	807,060
Client bank account	*11*	**363,372**	1,843,513
		3,185,326	4,835,838
Creditors: amounts falling due within one year	*12*	**(21,802,832)**	(21,979,325)
Net current liabilities		**(18,617,506)**	(17,143,487)
Net liabilities		**(18,467,511)**	(17,013,094)
Capital and reserves			
Called up share capital	*13*	**2**	2
Profit and loss account	*14*	**(18,467,513)**	(17,013,096)
Shareholders' deficit	*15*	**(18,467,511)**	(17,013,094)

On behalf of the board

LIAM SHEEHAN, DIRECTOR

MICHAEL DAWSON, DIRECTOR

The Gift Voucher Shop Limited

Notes

forming part of the financial statements

		2010 Stg£	2009 Stg£
1	**Turnover - continuing operations**	**968,171**	891,676

Turnover is derived from the company's principal activity, wholly arising within the United Kingdom

2 Operating expenses

	2010 Stg£	2009 Stg£
Staff costs	**629,425**	924,302
Other costs		
Administrative	**642,819**	2,454,768
Sales and marketing	**428,746**	249,786
Operational	**134,308**	51,684
Depreciation	**80,819**	190,500
	1,916,117	3,871,040

3 Interest payable and similar charges

	2010 Stg£	2009 Stg£
Interest payable on group borrowings	**204,105**	379,295
Interest due on loan notes	-	691,424
	204,105	1,070,719

4 Interest receivable and similar income

	2010 Stg£	2009 Stg£
Interest on short term deposits	**9,737**	81,695

5 Statutory and other information

	2010 **Stg£**	2009 Stg£
Directors' emoluments		
Salaries	**113,960**	361,859
Depreciation	**80,819**	190,500
Auditor's remuneration	**6,590**	18,090
Rentals payable under operating leases		
Rental of land and buildings	**98,529**	92,005

The aggregate directors' remuneration of the highest paid director was Stg£58,629 (2009 Stg£285,951)

6 Staff numbers and costs

The average number of persons working in the company in the financial year, analysed by category, was as follows

	Number of employees **2010**	2009
Administration	**2**	3
Sales & marketing	**4**	6
Customer service	**1**	4
Merchant relationship	**1**	-
	8	13

The aggregate payroll costs were as follows

	2010 **Stg£**	2009 Stg£
Wages and salaries	**607,972**	864,985
Social welfare costs	**19,153**	45,063
Other pension costs	**2,300**	7,308
	629,425	917,356

Notes *(continued)*

7 Tax on loss on ordinary activities

	2010 Stg£	2009 Stg£
Current corporation tax	-	-
UK corporation tax	-	-
	-	-

The current tax charge differs from the standard rate of tax in the United Kingdom The differences are explained as follows

	2010 Stg£	2009 Stg£
Loss on ordinary activities before tax	**(1,957,028)**	(4,367,925)
Current tax 28% *(2009 30%)*	**(547,968)**	(1,310,378)
Effects of		
Expenses not deductible for tax purposes	**39,203**	1,920
Irish source interest income	**1,217**	10,212
Capital allowances (greater)/less than depreciation	**(2,080)**	13,187
Loss surrendered to other group company	**148,962**	196,190
Losses available for carry forward	-	324,482
Income taxable in lower tax jurisdiction	**366,166**	764,387
	-	-

8 Tangible fixed assets

	Fixtures & fittings Stg£	Computer equipment Stg£	Total Stg£
Cost			
At 28 February 2009	23,892	675,579	699,471
Additions in year	-	100,421	100,421
Disposals in year	(23,892)	-	(23,892)
At 28 February 2010	-	**776,000**	**776,000**
Accumulated depreciation			
At 28 February 2009	23,892	545,186	569,078
Charge for year	-	80,819	80,819
Disposals	(23,892)	-	(23,892)
At 28 February 2010	-	**626,005**	**626,005**
Net book value			
At 28 February 2010	-	**149,995**	**149,995**
At 28 February 2009	-	130,393	130,393

9 Debtors

	2010 Stg£	2009 Stg£
Debtors due within 1 year		
Trade debtors	**258,818**	323,358
Prepayments and accrued income	**1,338,429**	1,480,722
Other debtors	**182,840**	24,481
VAT	**35,294**	23,510
	1,815,381	1,852,071

The Gift Voucher Shop Limited

Notes *(continued)*

10 Stock

	2010	2009
	Stg£	Stg£
Pre-printed vouchers & cards	**23,669**	333,194

The replacement cost of stocks did not differ significantly from the figures shown

11 Client bank account

These financial statements include £363,372 (2009 £1,843,513) of cash held in a special nominee account controlled by the company The cash represents amounts due to merchants in respect of the sale of gift cards/vouchers A corresponding liability is included in creditors at the year end (note 12)

12 **Creditors:** amounts falling due within one year

	2010	2009
	Stg£	Stg£
Bank overdraft	**532,468**	218,740
Trade creditors	**119,324**	2,479,196
Amounts owed to group companies	**18,423,738**	14,060,116
Amount due to merchants held in client account (note11)	**559,515**	2,423,993
Tax and social security (see below)	**5,140**	4,757
Accruals and deferred income	**2,162,647**	2,792,523
	21,802,832	21,979,325

Tax and social security included in other creditors		
NIC	**2,667**	2,315
PAYE	**2,473**	2,441
	5,140	4,757

13 Called up share capital

	2010 Stg£	2009 Stg£
Authorised, allotted, called up and fully paid		
10,000 ordinary shares of Stg£1 each	**10,000**	10,000
Allotted, called up and fully paid		
2 ordinary shares of £1 each	**2**	2

14 Profit and loss account

	2010 Stg£	2009 Stg£
Profit and loss account at the beginning of year	**(17,013,096)**	(12,645,171)
Loss for the financial year	**(1,957,028)**	(4,367,925)
Interest forgiven on loan notes	**502,611**	-
Profit and loss account at end of year	**(18,467,513)**	(17,013,096)

Interest totalling £502,611 was forgiven by holders of 8% unsecured redeemable loan notes The holders of the loan notes were all shareholders in the ultimate parent entity (see note 18) As this transaction is with shareholders in their capacity as shareholders, it is not reflected in the profit and loss account

15 Reconciliation of movements in shareholders' deficit

	2010 Stg£	2009 Stg£
Shareholders' deficit at beginning of year	**(17,013,094)**	(12,645,169)
Loss for the year	**(1,957,028)**	(4,367,925)
Interest forgiven on loan notes (note 14)	**502,611**	-
Shareholders' deficit at end of year	**(18,467,511)**	(17,013,094)

16 Commitments

(a) At 28 February 2010, the company had contracted capital commitments of Stg£6,427 (2009 £nil) The commitment relates to software improvements

(b) Annual commitments under non-cancellable operating leases all relate to land and buildings and are as follows

	2010	2009
	Stg£	Stg£
Expiring		
Within one year	**72,052**	92,005
Between one and five years	**108,078**	314,350
	180,130	406,355

The rentals are payable under a land and buildings lease which expires in September 2012

17 Contingencies

There were no material contingent liabilities at the balance sheet date (2009 Nil)

18 Group membership and controlling parties

100% of the issued share capital of the company is owned by Total Shopping Convenience Limited which is ultimately 100% owned by TSC Ventures Limited, which in turn is 53 6% owned by An Post An Post acquired 53 6% of the issued share capital on 4 December 2009 An Post is incorporated and operates in the Republic of Ireland The ultimate controlling party is the Minister for Communications, Energy and Natural Resources of the Republic of Ireland who holds the entire issued share capital of An Post except for one ordinary share which is held by the Minster for Finance of the Republic of Ireland

The largest and smallest group into which the results of the Company are consolidated are those headed by An Post The consolidated financial statements of An Post are available to the public and may be obtained from the Companies Registration Office, Parnell Square, Dublin 1, Republic of Ireland

19 Post balance sheet events

There were no events between the balance sheet date and the date these financial statements were approved that would require either adjustment to, or disclosure in, these financial statements

20 Approval of financial statements

The financial statements were approved by the board of directors on 18th October 2010