

Ideal Shopping Direct Plc
(“Ideal Shopping Direct” or the “Company”)

Preliminary Results
For the 53 weeks ended 3 January 2010

Ideal Shopping Direct, the independent TV shopping and online business, today announces its preliminary results for the 53 weeks ended 3 January 2010.

Financial Highlights

- Sales increased by 9.2% to £103.3 million (2008: £94.7 million)
- Gross margin improved to 41.1% (2008: 34.2%; 37.3% underlying)
- Underlying profit before tax of £1.3 million (2008: Loss £4.0 million) before non underlying charges of £0.2 million (2008: £9.2 million)
- Basic earnings per share of 7.1p (2008: 38.9p loss)
- Net cash of £13.4 million at 3 January 2010 (2008: £6.5 million)
- Reduced working capital from improved credit control and stock management

Operational Highlights

- Home & Leisure sales up 27.5% to £48.4 million
- New Craft division created in 2010
- Introduction of new branded products to continue
- Freeview Channel 36 launched in July 2009
- Significant investment in web and marketing activities
- Improved customer service from the restoration of customer agents, the introduction of track and trace technology and faster delivery times
- Integration of Lead The Good Life, acquired in January 2010, progressing well and to plan

Current Trading

- The start to 2010 has been extremely encouraging with sales up 17.5% in the first 10 weeks over same period in 2009

Paul Wright, Chairman, commented:

“The retail environment during 2009 was challenging and in addition the new Board had many legacy issues to address. Having undertaken a strategic review and refocused the business on the fundamentals that had originally made the Company successful, I am delighted that Ideal Shopping Direct has completed its turnaround plan and delivered an excellent performance in the second half of the year.

The strategy we have adopted to diversify from being a TV centric shopping company to become a multi-channel business, whilst exploiting our core values and strengths, has begun to pay dividends.

Our strategy for growth is proving successful: we are conserving our cash whilst we look for opportunities to further grow the business through organic development as well as by acquisition. I remain optimistic that we will continue to improve the performance of the Company during 2010.”

For further information please contact:

Paul Wright, Chairman
Mike Hancox, Chief Executive
Ian Jebson, Finance Director
Ideal Shopping Direct

+44 (0) 1733 316203

Ewan Leggat, Simon Bennett, Laura Littley
Fairfax IS PLC

+44 (0) 207 598 5368

Richard Darby, Nicola Cronk, Miranda Higham
Buchanan Communications

+44 (0) 20 7466 5000

Notes to editors:

Ideal Shopping Direct is one of the UK's leading home shopping retailers, selling via its TV channels and the internet. Its main channel, Ideal World, is broadcast on the rapidly expanding Freeview platform as well as on Sky, Virgin Media and Freesat. It has three other channels on Sky, 'Ideal Extra', 'Ideal & More' and 'Create and Craft'. 'Ideal Extra' and 'Create and Craft' are also on Freeview.

'Ideal World' offers a broad selection of general merchandise with six product categories, led by Home, Leisure and Craft along with Fashion, Health & Beauty and Jewellery. 'Ideal Extra' focuses on Gardening and related outdoor product, Home and Leisure including selected Ideal World repeats. 'Ideal & More' repeats selected shows of Ideal World. 'Create and Craft' is a niche channel selling craft products.

Ideal's transactional websites www.idealworld.tv and www.createandcraft.tv carry a live web stream of the TV broadcasts and offer a wide selection of products sold on TV as well as web-only deals. www.gardenbargains.com offers a range of gardening products.

For more information see www.idealshoppingdirect.co.uk

Chairman's statement

The retail environment during 2009 was challenging and in addition the new Board had many legacy issues to address. Given that background, I am delighted to announce that Ideal Shopping Direct has completed its turnaround plan. After spending the first half of 2009 addressing infrastructure issues that were negatively impacting the customer experience, we have delivered an excellent performance in the second half year with sales growth of 18.5% over the same period in the previous year. This performance has delivered a profit before tax and non underlying items of £1.3 million for the Financial Year 2009 compared to a loss before tax and non underlying items of £0.95 million for the half year to June 2009 and a substantial improvement on the loss before tax and non underlying items of £4.0 million reported for the Financial Year 2008.

We further strengthened the Board when on 1 July 2009 Graham Cole joined as a Non-Executive Director and Chairman of the Audit Committee. Graham brings with him a wealth of experience gained from working with AIM listed businesses. Ian Jebson joined on 1 March 2009 as Finance Director; Val Kaye and I joined on 3 February 2009 as Non-Executive Director and Non-Executive Chairman respectively. I believe we now have a settled and strong Board who are committed to the future strategy of the business and to rebuilding shareholder value.

The Board would like to thank all their colleagues across the business for their contributions during 2009. We have a loyal and dedicated workforce who have worked skilfully to restore profitability and I am now confident that performance will continue to improve during 2010.

Strategy

As outlined in our 2008 Annual Report, following the establishment of a completely new Board, we undertook a strategic review and refocused the business on the fundamentals that had originally made it successful, namely customer loyalty, customer service, diversity of product across a range of price points within a convenient and entertaining shopping environment. This task is now largely complete. In addition, we decided to diversify from being a TV centric shopping business to one with a genuine multi-channel offering, exploiting our core values and strengths. In particular, we recognise the new opportunities offered to us via e-commerce where we can, and are, leveraging our TV shopping expertise and in-depth product knowledge. We also believe a number of specific complementary niche product categories exist, which can offer attractive margins and little aggressive competition, where we can build and defend a significant franchise, as has already been successfully demonstrated by our profitable craft category.

In the pursuit of this strategy, in January 2010, we acquired the home shopping gardening business, Lead The Good Life (LTGL). This transaction directly supports our strategy of continuing to introduce new branded products that will enhance earnings. The integration of LTGL is progressing well and to plan.

Across the Company we have improved financial controls, managed overheads and generated a positive cash flow of £5.0 million during the year. We continue to develop our credentials as a strong multi-channel business and selective investments in our website has seen growth in our web traffic and sales.

Outlook

Our key focus now is to drive profitability towards those levels we achieved historically. I remain optimistic that we will continue to improve the performance of the Company during 2010. The Board is committed and motivated to achieving its goal of rebuilding shareholder value. Our strategy for growth is proving successful and we are preserving our cash to finance further growth of the business through organic development as well as through acquisitions. As a consequence, the Board is not recommending a final dividend.

Current trading

The current year has started well and sales for the first 10 weeks are 17.5% ahead of 2009; with like for like sales 8.8% ahead of 2009 and Lead The Good Life sales 54.1% ahead of 2009.

Paul Wright
Chairman
23 March 2010

Chief Executive's review

During 2009 Ideal Shopping Direct made a successful return to profitability with business performance improving steadily through the year. 2009 started with the UK in recession and the Company having limited cash resources, with declining sales and a rapidly increasing overhead base.

During the first half of 2009 plans were implemented that reduced overheads and made them more variable with sales. We also looked to improve the customer experience by changing the organisational infrastructure in respect of our call centres and product delivery. In our call centres we focused on restoring 'real people' to answer our customer calls, where previously there had been a drive to automated answering systems. Furthermore, we invested in Numero Customer Management Software which significantly improved our customer service in the area of e-mail processing. With regard to product delivery, we increased the speed of delivery to the customer and introduced track and trace technology to give visibility to the delivery process. I believe that both these developments were appreciated by our customers and we saw increased customer spend in the second half year.

Also during the first half, the business was managed more effectively. Tight financial controls were implemented across the organisation and a review of the supply chain led to changes in the way product was supplied into the business. Rather than committing to stock in advance of TV shows on a firm sale basis, the majority of our sales are now generated with products sourced on a sale or return basis. This has removed risk from the business and released cash. At the start of 2009 we had relatively high stock levels and there was a clear need for a reduction. The business initiated a 'sale strategy' in January and February 2009 to clear stocks at planned reduced margins. This will not be necessary in 2010 and our stock levels are some £1.5 million lower at the end of 2009 than the previous year.

Having reached the half year with flat sales compared with the previous year, and an underlying loss before tax and non underlying items of £0.95 million, there was a clear need to drive sales performance. Having improved the customer experience and focused on sourcing some excellent product for the Christmas selling period, sales increased by 18.5% in the second half, driven by a number of focused initiatives, which included the following:

- a series of best practice direct mail techniques were introduced to stimulate sales from our valuable customer databases
- investments were made in people and software to improve our websites through better search, navigation, presentation and availability
- our products and on-screen presentation techniques were improved with a comprehensive trading plan to maximise sales in the run up to Christmas

For the year, sales increased by 9.2% to £103.3 million with home and leisure being the most successful categories showing growth of 27.5% with sales reaching £48.4 million. We have successfully started to increase the spend per basket of our customers through the introduction of some higher priced items. This has been helped by our Flexi-pay proposition, which we have extended from telephone sales to internet sales and I am pleased to be able to report that our bad debt exposure from Flexi-pay is minimal.

We have continued to make progress with the Craft category and sales are up 7.4% during 2009. In 2010 we will separate Craft into a new division to ensure increased focus on this area, which remains a strategic priority for the management team. In July 2009 a test was started with a daily, morning Craft broadcast live on Freeview Channel 36. After a successful test period this initiative was implemented permanently in October 2009. The Create and Craft club membership continues to grow demonstrating the loyalty of our customers to the Create and Craft proposition.

Future prospects

The scale of the business turnaround since 2008 has been significant and the management team are excited about the growth prospects for the Company. The strategy, set out in 2009, of developing niche, internet based propositions that can be complemented by a unique TV shopping experience, is working. Progress is being made with the Create and Craft brand which we believe has international potential. In addition we have made great progress with the gardening category and during 2010 we intend to fully integrate LTGL into the business. We are actively looking at new product categories that we believe can be developed in a similar way.

For the core TV shopping proposition, there continues to be a number of opportunities for development. The roll out of digital TV across the UK brings new customers every day and we are focused on the business qualities of customer service, entertainment and excellent products that will grow our customer base. The reinstatement of supplier credit insurance at the start of 2010 enables us to offer an increasingly broader range of products.

The successful implementation of initiatives that are driving the Company forward resulted from a team effort. My colleagues have stepped up to the challenge of turning the business around and their progress to date has been impressive. Their continued support will be needed going forward as we look to reinforce our brand values of family, friendship and fun.

Mike Hancox
Chief Executive
23 March 2010

Finance Director's review

Accounting policies

The Group's results for the year have been prepared under International Financial Reporting Standards.

Financial results

The return to underlying profitability before tax of £1.3 million from continuing operations in 2009 after the loss of £4.0 million incurred in 2008 is a significant achievement. Non underlying items in 2009 were a charge of £0.2 million, which is very small when compared with the charge of £9.2 million in 2008.

As a result of the robust management of cash and control of working capital, particularly inventory, the net cash position at the financial year end was £13.4 million, a £6.9 million improvement to the opening position.

The year on year comparison of key numbers is as follows:

	Underlying	Non Underlying	3 Jan 2010 Total	Underlying Reclassified	Non Underlying	28 Dec 2008 Total
	£000	£000	£000	£000	£000	£000
Sales revenue	103,336		103,336	94,947	(290)	94,657
Gross profit	42,505	-	42,505	35,387	(3,048)	32,339
Operating profit/(loss)	1,231	(198)	1,033	(4,224)	(9,243)	(13,467)
Profit/(loss) from continuing operations before taxation	1,261	(198)	1,063	(3,978)	(9,243)	(13,221)

Total Sales revenue increased by 9.2% year on year with underlying gross margins increasing by £7.1 million; a 20.1% increase year on year.

This underlying gross margin of 41.1% represents a 3.9ppt increase over 2008 driven primarily by increased Home and Leisure sales and the cessation of frequent free P&P promotions.

Underlying overheads were 4.2% higher at £41.3 million (2008: £39.6 million); however given the solid sales growth, underlying operational gearing of the group fell to 39.9% from 41.7%. The main increases in operating costs were broadcasting costs of £0.8 million, (driven by RPI increases and by new channels; 'Ideal & More' on Sky and 'Create & Craft' on Freeview), call centre costs of £1.1 million occasioned by the repatriation of our customer services team to the UK and combined website and marketing costs of £1.1 million, as we continue to drive market presence and awareness. Elsewhere, £1.3 million costs have been saved through tight cost control and the implementation of initiatives such as reduced warehousing, communication and facilities costs together with the closure of our retail outlet.

Underlying profit, before tax and non underlying items, was £1.3 million compared to a loss of £4.0 million for the previous year.

Total non underlying costs of £0.2 million include the following items: £0.2 million costs associated with the purchase of Lead The Good Life and £0.3 million Board restructuring costs which were partially offset by a receipt of £0.2 million cash from the administrators of Kaupthing Singer & Friedlander, in relation to a deposit of £0.6 million previously written off.

From an underlying profit before tax and non underlying items of £1.3 million (2008: £4.0 million loss), the reported profit after non underlying items before tax was £1.1 million compared to a loss of £13.2 million in the previous year.

Taxation

There was a tax credit of £1.0 million for the financial year (2008: credit £1.7 million) arising from the recognition of a deferred tax asset, the majority of which is in respect of tax losses carried forward of £3.1 million. Carried forward tax losses from 2008 negated a tax charge on the profit for the year.

Earnings per share

Basic earnings per share (EPS) were 7.1p (2008: Loss 38.9p) with diluted EPS also being 7.1p (2008: Loss 38.9p).

Acquisition of Lead The Good Life

The Company completed the purchase of Lead The Good Life on 18 January 2010. The initial purchase consideration was £5 million satisfied by the allotment of 3,971,962 ordinary shares and £0.75 million cash and is duly included in the statutory accounts as a post balance sheet event. The Group has agreed to pay the selling shareholders additional 'earn out' consideration of up to a maximum of £2.2 million. Any further consideration will be settled by the issue of ordinary shares, dependent on Lead The Good Life achieving certain profit targets. The Company currently estimates that the further consideration under the acquisition scheme will amount to £1.54 million. Work is currently on track to optimise the benefits of this purchase.

Cash flow and debt

The closing gross cash balances were £13.4 million (2008: £8.4 million). The net cash inflow of £5.0 million arose from the following; £3.0 million cash inflow from operating activities, £3.6 million from improvement in working capital (predominantly reduced stock holding and improvement in creditor payment terms) and £1.3 million income tax received being the return of 2008 payments on account. These inflows were partially offset by the following outflows; £0.9 million capital expenditure and £1.9 million mortgage repayment.

Inventory

At the year end, inventory (net of provisions) was £2.4 million, representing a reduction of £1.5 million, 37.5% lower than last year. This was achieved by passing inventory risk to suppliers and improved merchandising processes.

Capital expenditure

Capital expenditure for the year was £0.9 million of which £0.6 million relates to software and system upgrades, £0.2 million was spent on computer hardware and the remaining £0.1 million was spent on TV equipment and other fixtures and fittings.

Banking arrangements

During 2009 we switched our banking arrangements from Barclays to RBS, repaying the mortgage to Barclays (£1.9 million) in the process. RBS are secured by a charge and cross guarantees over the assets of the group excluding land and buildings which were valued at £6.85

million at January 2009. We are covenant free. There are bank guarantees of £0.35 million to support trading and these have a renewal date of 30 April 2010.

Dividend

The Board is not recommending a final dividend (2008: nil). An interim dividend was not paid (2008: 1.75p).

Ian Jebson
Finance Director
23 March 2010

Consolidated Statement of Comprehensive Income

For the 53 week period ended 3 January 2010

	3 Jan 2010			28 Dec 2008		
	Underlying	Non Underlying*	Total	Underlying Reclassified **	Non Underlying*	Total Reclassified **
	£000	£000	£000	£000	£000	£000
Continuing operations						
Sales revenue	103,336		103,336	94,947	(290)	94,657
Cost of sales	(60,831)		(60,831)	(59,560)	(2,758)	(62,318)
Gross profit	42,505	-	42,505	35,387	(3,048)	32,339
Distribution costs	(4,247)		(4,247)	(4,519)	-	(4,519)
Administrative expenses	(36,740)	(198)	(36,938)	(35,030)	(6,195)	(41,225)
Other expenses	(287)		(287)	(62)	-	(62)
Operating profit/(loss)	1,231	(198)	1,033	(4,224)	(9,243)	(13,467)
Finance costs	(46)	-	(46)	(36)	-	(36)
Finance income	76	-	76	282	-	282
Profit/(loss) from continuing operations before taxation	1,261	(198)	1,063	(3,978)	(9,243)	(13,221)
Taxation			1,044			1,669
Profit/(loss) from continuing operations and for the period			2,107			(11,552)
<i>Other comprehensive income:</i>						
Revaluation of property plant and equipment			-			(724)
Total comprehensive income for the period attributable to owners of the Group			2,107			(12,276)
Attributable to equity shareholders of Ideal Shopping Plc						
			2,107			(11,552)
Net profit/(loss) for the period			2,107			(11,552)
Earnings/(loss) per share						
From continuing operations						
Basic			7.1	p		(38.9)
Diluted			7.1	p		(38.9)

* Non underlying items in 2009 comprise the costs associated with the purchase of Lead The Good Life Ltd and Board restructuring costs partially offset by cash balances, that were previously written down, received from Kaupthing's administrators. Non underlying items in 2008 comprise asset write-downs and other non underlying expenses associated with restructuring of the Group's business. Full details are contained in Note 2.

** We have reviewed the presentation of our foreign exchange reporting and consequently the comparative figures for 2008 have been reclassified. A total of £0.62 million costs have been transferred from finance costs; £0.43 million into cost of sales and £0.19 million into administrative expenses. There is no impact on the profit reported as a result of this reclassification.

Consolidated Statement of Financial Position

As at 3 January 2010

	3 Jan 2010 £000	28 Dec 2008 £000
Assets		
Non-current assets		
Property, plant and equipment	8,113	8,574
Intangible assets	3,011	3,302
Goodwill	-	-
Deferred tax assets	1,402	131
Total non-current assets	12,526	12,007
Current assets		
Inventories	2,419	3,872
Current tax assets	3	1,300
Trade and other receivables	6,033	4,538
Cash and cash equivalents	13,379	8,399
Total current assets	21,834	18,109
Total assets	34,360	30,116
Equity		
Share capital	895	895
Share premium	327	314
Reserves	1,780	1,666
Retained earnings	8,549	5,963
Total equity	11,551	8,838
Liabilities		
Non-current liabilities		
Deferred tax liabilities	138	131
Total non-current liabilities	138	131
Current liabilities		
Loans and borrowings	-	1,863
Trade and other payables	21,978	18,166
Provisions	669	803
Current tax liabilities	24	94
Dividends payable	-	221
Total current liabilities	22,671	21,147
Total liabilities	22,809	21,278
Total equity and liabilities	34,360	30,116

Consolidated Statement of Changes in Equity

Group	Share capital £000	Share premium £000	Other reserves £000	Retained earnings £000	Total £000
Balance at 30 December 2007	894	308	2,642	18,832	22,676
Total comprehensive income for the period					
Profit / (loss) for the period	-	-	-	(11,552)	(11,552)
Other comprehensive income:					
Revaluation of property, plant and equipment	-	-	(724)	-	(724)
Total comprehensive income for the period	-	-	(724)	(11,552)	(12,276)
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Issue of shares	1	6	-	-	7
Dividends to equity holders	-	-	-	(1,632)	(1,632)
Share based payment transactions (net of tax)	-	-	(252)	315	63
Total transactions with owners	1	6	(252)	(1,317)	(1,562)
Balance at 28 December 2008	895	314	1,666	5,963	8,838
Total comprehensive income for the period					
Profit / (loss) for the period	-	-	-	2,107	2,107
Total comprehensive income for the period	-	-	-	2,107	2,107
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Issue of shares	-	13	-	-	13
Share based payment transactions (net of tax)	-	-	114	479	593
Total transactions with owners	-	13	114	479	606
Balance at 3 January 2010	895	327	1,780	8,549	11,551

Consolidated statement of cash flows

For the 53 weeks ended 3 January 2010

	3 Jan 2010 £000	28 Dec 2008 £000
Continuing operations		
Cash flows from operating activities		
Group profit/(loss) for the period	2,107	(11,552)
Depreciation	748	683
Amortisation of intangible assets	930	577
Impairment of assets	-	324
Loss on disposal of property, plant and equipment	-	745
Impairment of goodwill	-	1,523
Net finance income	(30)	(231)
Equity settled share-based payment transactions	287	63
Income tax credit	(1,044)	(1,669)
Operating cash flows before changes in working capital and provisions	2,998	(9,537)
Change in inventories	1,453	2,878
Change in trade and other receivables	(1,496)	978
Change in trade and other payables	3,829	1,187
Change in provisions	(134)	354
Cash generated from operations	6,650	(4,140)
Interest paid	(46)	(36)
Income tax received/(paid)	1,297	(181)
Net cash flows from operating activities	7,901	(4,357)
Cash flows from investing activities		
Interest received	76	267
Proceeds from sale of property, plant and equipment	13	7
Acquisition of property, plant and equipment	(291)	(767)
Acquisition of intangible assets	(648)	(1,396)
Net cash flows from investing activities	(850)	(1,889)
Cash flows from financing activities		
Proceeds from issue of share capital	13	7
Repayment of bank loans	(1,863)	(339)
Payment of finance lease liabilities	-	(309)
Dividends paid	(221)	(1,411)
Net cash flows from financing activities	(2,071)	(2,052)
Net increase/(decrease) in cash and cash equivalents	4,980	(8,298)
Cash and cash equivalents at 29 December 2008	8,399	16,697
Cash and cash equivalents at 3 January 2010	13,379	8,399

Of the £8.4 million of cash at the prior year end, £1.9 million was held in a cash offset account against the mortgage. This mortgage was paid down during 2009.

Notes:

1) Accounting policies

Ideal Shopping Direct Plc, a public limited company, is the Group's ultimate parent. It is incorporated and domiciled in the UK. Ideal Shopping Direct Plc's shares are listed on the Alternative Investment Market of the London Stock Exchange.

(a) Accounting reference dates

For operational reasons the financial statements of the Group are prepared to the first Sunday in January 2010. The financial statements of the Group and its subsidiary are for the 53 weeks ended 3 January 2010 and are compared with a 52 week period to 28 December 2008.

(b) Statement of compliance

The Group's financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"). The Company has elected to prepare its parent company financial statements in accordance with Adopted IFRS.

The financial statements were authorised for issue by the Board of Directors on 23 March 2010.

(c) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position.

- Financial instruments are measured at fair value.
- Property, plant & equipment which fall within the company revaluation policy are measured at their revalued amount.

The Directors consider that the accounts should be prepared on a going concern basis for the following reasons:

- Full and detailed profit and loss, balance sheet and cash flow forecasts have been prepared for the period to April 2011.
- These forecasts show that the Company can operate as a going concern without the need for bank financing facilities

(d) Use of estimates and judgements

The preparation of the consolidated financial statements, in conformity with Adopted IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

(e) Non underlying items

Non underlying items are presented in the Consolidated Statement of Comprehensive Income, being those items that are unusual because of their size or nature of incidence. The Directors

consider that these items should be disclosed separately to enable a full understanding of the Group's results.

2) Non underlying items

The following items have been presented as non underlying:

	3 Jan 2010 £000	3 Jan 2010 £000	28 Dec 2008 £000	28 Dec 2008 £000
<i>Included in sales revenue:</i>				
Sales returns		-		290
<i>Included in costs of sales:</i>				
Stock write downs		-		2,758
<i>Included in administrative expenses:</i>				
Restructuring costs		254		746
Doubtful debt provisions		-		752
Legal and professional fees in respect of restructuring		16		355
Bank deposit (recovery) / loss		(236)		614
Acquisition costs		164		
Write off planning permission costs (historical)	-		432	
Write off planning permission costs (acquired during the year)	-		260	
Impairment of IT system values	-		245	
Write off of IT expenditure (acquired during the year)	-		884	
Assets written off under new capitalisation policy	-		79	
Assets written off after physical audit	-		305	
Impairment of goodwill	-		1523	
Asset write offs		-		3,728
Total non underlying items:		198		9,243

3) Income tax expense

Reconciliation of effective tax rate:

	3 Jan 2010 %	3 Jan 2010 £000	28 Dec 2008 %	28 Dec 2008 £000
Profit/(loss) for the period		2,107		(11,552)
Total income tax (credit)		(1,044)		(1,669)
Profit/(loss) excluding income tax		1,063		(13,221)
Income tax using the Group's domestic tax rate	28.00%	298	(28.50%)	(3,768)
Adjustment in respect of prior periods	(10.82%)	(115)	(0.33%)	(43)
Non-deductible expenses	9.3%	99	7.30%	965
Recognition of assets to be carried forward	(89.66%)	(953)	0%	-
Utilisation of unrecognised losses brought forward	(35.09%)	(373)	0%	-
Unrecognised losses carried forward	0.0%	-	8.91%	1,177
Total income tax credit	(98.26%)	(1,044)	(12.62%)	(1,669)

The tax rate applicable to the Group was 28.0% from 1 April 2008 (previously 30.0%) resulting in an effective tax rate for the period of 28.0% (2008: 28.5%).

4) Earnings per share and dividends

Both the basic and diluted earnings / (loss) per share have been calculated using the net results attributable to shareholders of the Group as the numerator. None of the dilutive shares relate to

interest or similar expense recognised in the profit or loss for the year ended 28 December 2008 or the year ended 3 January 2010.

To calculate the diluted earnings per share figure, the weighted average of dilutive employee share options expected to vest has been added. The number represents management's best estimate at the balance sheet date, which is also used for calculating employee remuneration expense relating to share based payment transactions.

Reconciliation of average number of shares used for basic and diluted earnings per share

	3 Jan 2010	28 Dec 2008
	Number	Number
Weighted average number of ordinary shares used for basic earnings per share	29,673,467	29,665,428
Weighted average number of dilutive shares under option	14,349	30,327
Weighted average number of ordinary shares for dilutive earnings per share	29,687,816	29,695,755

The Directors do not propose a final dividend for the year ended 3 January 2010 (2008: £Nil). An interim dividend was not paid resulting in a zero total dividend for the year (2008: 1.75p).

Annual Report

The financial information set out above does not constitute the Company's statutory accounts for the periods ended January 3 2010 and 28 December 2008. The financial information for 2008 is derived from the statutory accounts for 2008 which have been delivered to the registrar of companies. The auditors have reported on the 2008 accounts, their report was i) unqualified, ii) did not include a reference to any matters which the auditors drew attention by way of emphasis without qualifying their report and iii) did not contain a statement under section 237 2) or 3) of the Companies Act 1985. The statutory accounts for 2009 will be delivered to the registrar of companies in due course.

Annual General Meeting

The Annual General Meeting will be held on 15 June 2010 at 9.30am at Ideal Home House, Newark Road, Peterborough, PE1 5WG.

Notice of the Annual General Meeting and the Annual report for 2009 will be sent to shareholders shortly and will be available on the Company's website www.idealshoppingdirect.co.uk.