

Registered number: 02584802

REVISECATCH LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 28 MARCH 2021

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REVISECATCH LIMITED

COMPANY INFORMATION

Directors	M Fullick G Howell A Harvey (appointed 23 April 2020)
Company secretary	D Heilig
Registered number	02584802
Registered office	185 Farringdon Road London England EC1A 1AA
Independent auditor	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

REVISECATCH LIMITED

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REVISECATCH LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 28 MARCH 2021

Principal activities

The principal activity of the Company is as a provider of courier services predominantly focused upon clients in London and the South East.

Results and dividends

The profit after tax for the period ended 28 March 2021 was £29,424,000 (2020: £1,108,000). No dividends have been declared post period end (2020: £1,338,000). The prior year interim dividend of £1,338,000 was paid during the reporting period to the parent company Royal Mail Courier.

Review of the business and future developments

During the reporting year the Company has posted a strong performance in both the urgent London courier market and the provision of courier services to The Royal Mail Group as part of the UK COVID-19 test kit program.

Post year end the Company has continued to be part of the government COVID-19 test kit program, which The Royal Mail Group won last year, and results continue to be strong.

The Company expects to continue its current business activities for the foreseeable future.

Through monitoring of key financial and quality of service indicators the Directors consider the performance and position of the Company to be in line with expectations.

Key Performance Indicators (KPIs)

The Directors consider a number of financial KPIs in monitoring the performance of the Company as follows:

- Revenue, and
- Profit Before Tax

Revenue for the period was £92,012,000 (2020: £14,729,000) and profit before tax for the period was £36,325,000 (2020: £1,331,000). The Directors are satisfied that the Company has met its expectations with respect to the KPIs in this reporting period.

Principal risk and uncertainties

There continue to be two principle risks being faced by the Company and both relate to couriers.

Firstly, a question mark continues to exist surrounding the Employment status of the Company's couriers. The government continues to review the definition of worker status and some of the many claims presented to Employment tribunals are now being heard. A change in the law/and or finding of worker status against the Company could have an impact on the cost base of the Company which we continue to monitor. However, the Directors have undertaken actions to mitigate this risk.

Secondly, existing players together with fresh entrants in the same-day courier environment that incorporate both food and grocery deliveries continue to disrupt the market. The number of these opportunities, allied to the reduced courier labour force arising from Brexit, has resulted in an upward pressure on courier earnings.

The one uncertainty is whether the government COVID-19 test kit program will continue beyond 21/22. We do not expect the program to continue after that time, and as such years 20/21 and 21/22 will be considered exceptional years.

Corporate Responsibility

The Company is committed to carrying out its activities in a socially responsible manner in respect of the environment, employees, customers and local communities. The Board of the ultimate parent company, Royal Mail plc, publishes details of its activities in its Annual Report and Financial Statements.

REVISECATCH LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 28 MARCH 2021

SECTION 172 (1) STATEMENT

The Companies (Miscellaneous Reporting) Regulations 2018 require Directors to explain how they considered and had regard to the interests of key stakeholders and the broader matters set out in Section 172(1) (a-f) of the Companies Act 2006 ("S172") when performing their duty to promote the success of the Company. Section 172 requires a Director of a Company to act in the way he or she considers, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a. the likely consequences of any decisions in the long term;
- b. the interests of the Company's employees;
- c. the need to foster the Company's business relationships with suppliers, customers and others;
- d. the impact of the Company's operations on the community and environment;
- e. the desirability of the Company maintaining a reputation for high standards of business conduct; and
- f. the need to act fairly as between members of the Company.

The Directors of the Company consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have had regard to the matters set out above in the decisions taken during the reporting period.

The Company is a member of the Royal Mail plc Group and has adopted all applicable Group policies and procedures, including the Royal Mail Business Code of Conduct, Corporate Responsibility Policy and the Equality and Fairness Policy.

The Company ensures that the requirements of S172 are met and that the interests of its stakeholder groups are considered through a combination of the following:

- Standing agenda items presented at each Board meeting, including updates on operations, financial performance, compliance and development, and health and safety.
- Regular engagement with our stakeholders, including, but not limited to, suppliers, customers and employees. For example, the Company requests annual feedback on the quality of its service from its employees.
- Being able to put something back into the community; to put value into an economy by generating local growth is very important to us. We are proud of the amount of jobs created and our continued provision of services to the UK COVID testing program.

As the Company forms part of the wider Group, stakeholder engagement also took place at Group level. You can read more about how the Royal Mail plc Group Board engaged with stakeholders during the reporting period in its Annual Report and Accounts for the financial year ended 28 March 2021, which can be found at www.royalmailgroup.com.

This report was approved by the Board and signed on its behalf.



G Howell
Director

Date: 14 September 2021

REVISECATCH LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 28 MARCH 2021

The Directors present their report and the financial statements for the 52 weeks ended 28 March 2021 (2020: 52 weeks ended 29 March 2020).

Directors

The following have served as Directors of the Company during the period ended 28 March 2021 and up to the date of approval of these financial statements unless otherwise stated:

M Fullick
G Howell
A Harvey (appointed 23 April 2020)

No Director has a beneficial interest in the share capital of the Company.

Research and development

Research and development expenditure during the year amounted to £Nil (2020: £Nil).

Political donations

No political donations were made in the period (2020: £Nil).

Disclosure of information to auditors

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

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

Indemnity of Directors

To the extent permitted by the Companies Act 2006, the Company may indemnify any Director or former Director of the Company or any associated company against any liability. The ultimate parent undertaking, Royal Mail plc, holds a Directors' and officers' liability insurance policy covering the Directors and officers or former Directors of its subsidiary undertakings against any liability.

Cautionary statement regarding forward-looking information

Where this review contains forward-looking statements, these are made by the Directors in good faith based on the information available to them at the time of their approval of this report. These statements should be treated with caution due to the inherent risks and uncertainties underlying any such forward-looking information. A number of important factors, including those in this document, could cause actual results to differ materially from those contained in any forward-looking statement.

Going concern

The Company had net assets of £30,032,000 at 28 March 2021 (2020: £1,946,000). The Directors have considered the financial position and future prospects of the Company for twelve months from the date of signing the accounts and believe that the Company has access to sufficient resources to manage its business successfully, despite the ongoing COVID-19 pandemic. Accordingly, the financial statements are prepared under the going concern basis.

Auditor

The auditor, Cooper Parry Group Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

REVISECATCH LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 28 MARCH 2021

Employees

Our goal is to ensure that all employees are engaged and involved in the business and are aligned and equipped to meet business objectives. As part of our commitment to drive better service for customers we continue to focus on improving the quality of our leadership, professionalising key roles and achieving greater employee involvement in decision making. Underpinning all of this is a need for dignity at work, where everybody feels valued, is treated fairly and equally and with everyone playing a full part in helping the Company to achieve its goals.

Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the candidates' particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Strategic report

In accordance with s414c(ii) of the Companies Act, the Company has set out certain information in its Strategic report that is otherwise required to be disclosed in the Directors' report. This includes information regarding results and activities, dividends and a description of the principal risks and uncertainties facing the Company.

Streamlined Energy and Carbon Reporting (SECR)

Information regarding SECR can be found in the Royal Mail plc accounts on page 38.

This report was approved by the Board and signed on its behalf.



G Howell
Director

Date: 14 September 2021

REVISECATCH LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 28 MARCH 2021

The Directors are responsible for preparing the Annual 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

REVISECATCH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REVISECATCH LIMITED

Opinion

We have audited the financial statements of Revisecatch Limited (the 'Company') for the period ended 28 March 2021, which comprise the income statement, the balance sheet, the statement of changes in equity and the related notes, 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 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 March 2021 and of its profit for the period 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 United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

REVISECATCH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REVISECATCH LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the 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 or the 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, 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.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 5, 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.

REVISECATCH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REVISECATCH LIMITED (CONTINUED)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment focused on key laws and regulations the Company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included, but were not limited to, compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor on the engagement ensured that the engagement team collectively had the appropriate competence, capabilities, and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Company through discussions with the Director and other management, and from our commercial knowledge of the industry;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit; and
- we assessed the susceptibility of the Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.

To address the risk of fraud through management bias and override of controls, we:

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias, in particular the Director's assessment of the IBR used in the lease calculations (note 2);
- investigated the rationale behind significant or unusual transactions; and
- reviewed nominals of certain nominal codes for indication of any management override.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error. Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

REVISECATCH LIMITED

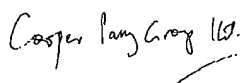
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REVISECATCH LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.



Neil Calder (Senior statutory auditor)

for and on behalf of
Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA
Date: 15 September 2021

REVISECATCH LIMITED

INCOME STATEMENT
FOR THE PERIOD ENDED 28 MARCH 2021

	Note	2021 £000	2020 £000
Revenue	3	92,012	14,729
People costs	5	(3,706)	(3,094)
Other operating costs		(51,980)	(10,318)
Operating profit	4	36,326	1,317
Income from investments		3	3
Profit on disposal of property, plant and equipment		5	21
Finance costs	7	(9)	(10)
Profit before tax		36,325	1,331
Tax on profit	8	(6,901)	(223)
Profit for the period		29,424	1,108

There was no other comprehensive income for 2021 (2020:£Nil).

All activities derive from the continuing operations of the Company.

The notes on pages 13 to 25 form part of these financial statements.

REVISECATCH LIMITED
REGISTERED NUMBER: 02584802

BALANCE SHEET
AS AT 28 MARCH 2021

	Note	28 March 2021 £000	29 March 2020 £000
Non-current assets			
Intangible assets	9	67	73
Property, plant and equipment	10	995	1,222
Investments	11	105	105
Deferred tax	16	85	338
		<u>1,252</u>	<u>1,738</u>
Current assets			
Inventories		10	16
Trade and other receivables	12	17,674	2,619
Bank and cash balances		21,129	1,361
		<u>38,813</u>	<u>3,996</u>
Trade and other payables: amounts falling due within one year	13	<u>(9,787)</u>	<u>(3,466)</u>
Net current assets		29,026	530
Total assets less current liabilities		30,278	2,268
Trade and other payables: amounts falling due after more than one year	14	<u>(246)</u>	<u>(322)</u>
		30,032	1,946
Net assets		<u>30,032</u>	<u>1,946</u>
Capital and reserves			
Share capital	17	-	-
Retained Earnings	18	30,032	1,946
Total equity		<u>30,032</u>	<u>1,946</u>

The financial statements were approved and authorised for issue by the Board on 14 September 2021 and were signed on its behalf by:



G Howell
Director

The notes on pages 13 to 25 form part of these financial statements.

REVISECATCH LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 28 MARCH 2021**

	Share capital £000	Retained earnings £000	Total equity £000
At 30 March 2020	-	1,946	1,946
Profit for the period	-	29,424	29,424
Dividends: Equity capital	-	(1,338)	(1,338)
At 28 March 2021	<u>-</u>	<u>30,032</u>	<u>30,032</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 29 MARCH 2020**

	Share capital £000	Retained earnings £000	Total equity £000
At 1 April 2019	-	2,338	2,338
Profit for the period	-	1,108	1,108
Dividends: Equity capital	-	(1,500)	(1,500)
At 29 March 2020	<u>-</u>	<u>1,946</u>	<u>1,946</u>

The notes on pages 13 to 25 form part of these financial statements.

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2021

1. Accounting policies

Revisecatch Limited (the Company) is a limited liability Company incorporated and domiciled in England and Wales. The address of its registered office is disclosed on the Company information page.

The financial statements are prepared in Sterling (£), which is the functional currency of the Company. The financial statements are for a period of 52 weeks ended 28 March 2021 (2020: 52 weeks ended 29 March 2020).

1.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but make amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Royal Mail plc includes the Company in its consolidated financial statements. The consolidated financial statements of Royal Mail plc are available to the public and may be obtained from the Company Secretary, 185 Farringdon Road, London, EC1A 1AA or at www.royalmailgroup.com.

The following principal accounting policies have been applied:

1.2 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IAS 7 Statement of Cash Flows;
- certain disclosures regarding the Company's capital;
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures;
- the effect of future accounting standards not yet adopted; and
- the disclosure of remuneration of key management personnel.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Royal Mail plc. The financial statements of Royal Mail plc can be obtained as described in note 1.1.

These financial statements do not include certain disclosures of:

- Financial instruments (other than certain disclosures required as a result of recording financial instruments at fair value).
- Fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value).

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.3 Adoption of new and revised standards

No new standards have been adopted in the year which have a material impact on the entity.

1.4 Revenue

Revenue is derived from specific contracts and is recognised at the time of delivery.

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2021

1. Accounting policies (continued)

1.5 Going concern

The Company had net assets of £30,032,000 at 28 March 2021 (2020: £1,946,000). The Directors have considered the financial position and future prospects of the Company for twelve months from the date of signing the accounts and believe that the Company has access to sufficient resources to manage its business successfully, despite the ongoing COVID-19 pandemic. Accordingly, the financial statements are prepared under the going concern basis.

1.6 Leases

The Company leases various properties and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets cannot be used as security for borrowing purposes.

A lease is recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the group's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received; and
- Restoration costs.

Payments associated with short-term leases and leases of low value assets are recognised on a straight line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less. Low value assets comprise IT equipment and small items of office furniture.

1.7 Finance costs

Finance costs are charged to the income statement over the lease period and relate to the unwinding of discounting on leases.

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2021

1. Accounting policies (continued)

1.8 Current and deferred tax

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of the deferred tax liabilities or other future taxable profits.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

1.9 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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 estimated useful lives range as follows:

Development expenditure	-	5	years
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1.10 Property, plant and equipment

Property, plant and equipment under the cost model is 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.

The Company adds to the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the income statement during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2021

1. Accounting policies (continued)

1.10 Property, plant and equipment (continued)

Depreciation is provided on the following basis:

Leasehold property	-	25% straight line
Plant and machinery	-	33% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	25% reducing balance
Right-of-use assets	-	Over the shorter of the assets useful life and the lease term on a straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

At each balance sheet date, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that any items of property, plant and equipment have suffered an impairment loss. If such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The impairment loss is recognised immediately in the income statement.

1.11 Trade receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any non-collectable amounts. This allowance is calculated by first creating an allowance for identified trade receivables where collection of the full amount is no longer probable and then applying lifetime expected credit loss (ECL) rates to the unprovided balance. Bad debts are written off when identified.

1.12 Trade payables

Trade payables are recorded initially at fair value and subsequently measured at amortised cost. Generally this results in their recognition at their nominal value.

1.13 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.

1.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.15 Contingent liabilities

Contingent liabilities are possible obligations whose existence depends on the outcome of uncertain future events or present obligations where the outflows of resources are uncertain or cannot be measured reliably. Contingent liabilities are not recognised in the financial statements but are disclosed unless an outflow of resources is considered remote.

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2021

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

The Company makes estimates and assumptions concerning the future. Management are also required to exercise judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

In preparing these financial statements, the Directors have made the following judgements:

Leases

Under IFRS 16, lease liabilities are initially recognised at the commencement date at the present value of future lease payments discounted at the rate inherent in the lease or, where this is not readily determinable, an appropriate IBR. In practice, the rate inherent in the lease is not always readily determinable so an IBR is used.

The IBR is the rate of interest that a lessee would have to pay to borrow, over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The methodology used to obtain these rates is therefore considered an area of judgement.

Judgement is also required in terms of considering the likelihood of certain options being taken up such as break clauses. Refer to note 1.6 for additional disclosures related to leases.

3. Revenue

The total revenue of the Company for the year has been derived from its principal activity being the supply of service wholly undertaken in the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2021 £000	2020 £000
Depreciation of right-of-use assets	87	123
Depreciation of tangible fixed assets	354	388
Amortisation	6	4

Auditor's remuneration amounted to £17,000 (2020: £16,000) for the audit of the statutory financial statements and was met by Royal Mail Group Limited. The auditor did not provide any non-audit services for the 52 weeks ended 28 March 2021 and 52 weeks ended 29 March 2020.

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2021

5. Employees

People costs, including Directors' remuneration, were as follows:

	2021 £000	2020 £000
Wages and salaries	3,315	2,778
Social security costs	340	272
Pension costs	51	44
	<u>3,706</u>	<u>3,094</u>

The average monthly number of employees, including the Directors, during the period was as follows:

	2021 No.	2020 No.
Administration	<u>92</u>	<u>89</u>

6. Directors' remuneration

	2021 £000	2020 £000
Directors' emoluments	212	203
Company contributions to defined contribution pension schemes	1	1
	<u>213</u>	<u>204</u>

During the period retirement benefits were accruing to one Director (2020: one) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £123,071 (2020: £121,467).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £Nil (2020: £Nil).

7. Finance costs

	2021 £000	2020 £000
Interest on lease liability	<u>9</u>	<u>10</u>
	<u>9</u>	<u>10</u>

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2021

8. Tax

	2021 £000	2020 £000
Corporation tax		
Current tax on profits for the period	6,648	281
Adjustments in respect of previous periods	-	(2)
	<u>6,648</u>	<u>279</u>
Total current tax	<u>6,648</u>	<u>279</u>
Deferred tax		
Origination and reversal of timing differences	251	(25)
Changes to tax rates	2	(33)
Increase in discount	-	2
	<u>253</u>	<u>(56)</u>
Total deferred tax	<u>253</u>	<u>(56)</u>
Tax on profit	<u>6,901</u>	<u>223</u>

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £000	2020 £000
Profit before tax	<u>36,325</u>	<u>1,331</u>
Profit multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	6,902	253
Effects of:		
Non-deductible expenditure	(3)	3
Effect of change in tax rates	-	(33)
Amounts underprovided in earlier years	2	-
	<u>6,901</u>	<u>223</u>
Total tax charge for the period	<u>6,901</u>	<u>223</u>

Factors that may affect future tax charges

On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023. It was substantively enacted on 24 May 2021 and so the deferred tax rate applicable at 31 March 2021 was still 19%. The impact of this change in rate, based on the current balance sheet position, would have led to an increase in the net deferred tax asset of £27,000 via a deferred tax credit recognised through the income statement.

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2021

9. Intangible assets

	Goodwill £000	Development expenditure £000	Total £000
Cost			
At 30 March 2020	50	155	205
Disposals	-	(123)	(123)
At 28 March 2021	50	32	82
Amortisation			
At 30 March 2020	-	132	132
Charge for the period	-	6	6
On disposals	-	(123)	(123)
At 28 March 2021	-	15	15
Net book value			
At 28 March 2021	50	17	67
At 29 March 2020	50	23	73

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2021

10. Property, plant and equipment

	Short-term leasehold property £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Right-of- use assets £000	Total £000
Cost or valuation						
At 30 March 2020	82	218	1,396	51	529	2,276
Additions	-	12	205	-	-	217
Disposals	-	-	(17)	-	-	(17)
At 28 March 2021	82	230	1,584	51	529	2,476
Depreciation						
At 30 March 2020	17	146	738	30	123	1,054
Charge for the period on owned assets	20	35	294	5	-	354
Charge for the period on right-of-use assets	-	-	-	-	87	87
Disposals	-	-	(14)	-	-	(14)
At 28 March 2021	37	181	1,018	35	210	1,481
Net book value						
At 28 March 2021	45	49	566	16	319	995
At 29 March 2020	65	72	658	21	406	1,222

The net book value of owned and leased assets included as property, plant and equipment in the balance sheet is as follows:

	28 March 2021 £000	29 March 2020 £000
Tangible fixed assets owned	676	816
Right-of-use tangible fixed assets	319	406
	995	1,222

REVISECATCH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2021**

10. Property, plant and equipment (continued)

Information about right-of-use assets is summarised below:

Net book value

	28 March 2021 £000	29 March 2020 £000
Property	306	379
Motor vehicles	13	27
	<u>319</u>	<u>406</u>

Depreciation charge for the period ended

	28 March 2021 £000	29 March 2020 £000
Property	(74)	(110)
Motor vehicles	(13)	(13)
	<u>(87)</u>	<u>(123)</u>

11. Investments

**Investments
in
subsidiary
companies
£000**

Cost and net book value

At 29 March 2020 and 28 March 2021

105

The Company owns 64% of the issued share capital of D.A. Systems Limited, a Company registered in England. The principal activity of D.A. Systems Limited is software development and consultancy. The Company's registered address is Oakingham House Frederick Place, London Road, High Wycombe, Buckinghamshire, England, HP11 1JU.

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2021

12. Trade and other receivables

	28 March 2021 £000	29 March 2020 £000
Trade receivables	2,485	1,645
Amounts owed by group undertakings	10,337	94
Other receivables	9	41
Prepayments and accrued income	4,843	839
	<u>17,674</u>	<u>2,619</u>

13. Trade and other payables: Amounts falling due within one year

	28 March 2021 £000	29 March 2020 £000
Trade payables	2,597	277
Amounts owed to parent company	437	1,000
Amounts owed to Royal Mail Group entities for Group tax loss relief	52	170
Other tax and social security	3,901	469
Lease liabilities	79	86
Other creditors	900	495
Accruals and deferred income	1,821	969
	<u>9,787</u>	<u>3,466</u>

14. Trade and other payables: Amounts falling due after more than one year

	28 March 2021 £000	29 March 2020 £000
Lease liabilities	246	322
	<u>246</u>	<u>322</u>

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2021

15. Leases

The maturity analysis of the lease liabilities are as follows:

	28 March 2021 £000	29 March 2020 £000
Less than one year	79	86
In the second to fifth years inclusive	233	306
Over five years	13	16
	<u>325</u>	<u>408</u>

16. Deferred tax

	2021 £000	2020 £000
At beginning of year	338	282
Charged to the income statement	(253)	56
At end of year	<u>85</u>	<u>338</u>

The deferred tax asset is made up as follows:

	28 March 2021 £000	29 March 2020 £000
Accelerated capital allowances	82	58
Short-term timing differences	3	4
Losses available for offset against future taxable income	-	276
	<u>85</u>	<u>338</u>

At 28 March 2021, the Company had unrecognised deferred tax assets of £248,000 (2020: £248,000) in relation to £1,304,000 (2020: £1,304,000) of UK capital losses carried forward. The Company has not recognised these deferred tax assets on the basis that it is not sufficiently certain of its capacity to utilise them in the future.

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2021

17. Share capital

	28 March 2021 £000	29 March 2020 £000
Allotted, called up and fully paid		
214 Ordinary shares of 1p	-	-

18. Reserves

Share Capital

Represents the nominal value of shares that have been issued.

Retained earnings

Represents accumulated profit and loss for the period and prior periods less dividends paid.

19. Related party transactions

The Company has taken advantage of the exemption under FRS 101 not to disclose transactions or balances with wholly owned entities of Royal Mail plc, the ultimate controlling parent company.

The sales to and purchases from related parties are made at normal market prices. Balances outstanding at the period end are unsecured, interest free and settlement is made by cash.

20. Contingent liabilities

As discussed in the Strategic report on page 1, there is still some uncertainty surrounding the employment status of the Company's couriers. The Government is reviewing the definition of worker status and there has been an increase in worker status claims being presented to Employment Tribunals over the last five years. The Company is in the process of settling 16 Employment Tribunal claims for worker status. The majority of claims are from ex-couriers who are no longer with the business. However, in order to mitigate the risk, worker status is being offered out to the wider fleet – appetite from the couriers has been low to date, it is however currently not possible for the amount of any possible future obligation to be reliably measured.

21. Controlling party

At 28 March 2021, Royal Mail Courier Services Limited is the immediate parent company and Royal Mail plc is the ultimate parent company. The results of the Company are included in the Royal Mail plc Annual Report and Financial Statements, which are available from the Company Secretary, 185 Farringdon Road, London, EC1A 1AA or at www.royalmailgroup.com.