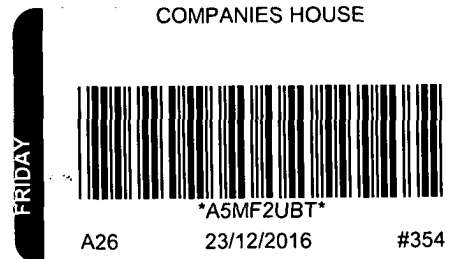


Company Registration No. 02591405 (England and Wales)

**PARCEL2GO.COM LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2016**



# PARCEL2GO.COM LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	HPA Adams-Mercer RHP Adams-Mercer JB Greenbury SJ Kramer CA Simpson
<b>Secretary</b>	RHP Adams-Mercer
<b>Company number</b>	02591405
<b>Registered office</b>	The Cube Coe Street Off Bridgeman Street Bolton Lancashire BL3 6BU
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants 3 Hardman Street Manchester M3 3HF
<b>Business address</b>	The Cube Coe Street Off Bridgeman Street Bolton Lancashire BL3 6BU

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# PARCEL2GO.COM LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2016

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The directors present the strategic report for the year ended 31 March 2016.

#### **Fair review of the business**

We are satisfied with the results of the Company as shown in these financial statements and by the key performance indicators below.

Most of the growth has arisen in the UK through our main website [www.parcel2go.com](http://www.parcel2go.com). However we are also encouraged by sales through our international websites and white label operations.

Our white label operations, whereby we operate online direct-to-consumer/SME websites on behalf of major organisations, have contributed to the increase in turnover for the year.

Future developments of the Company include the continued growth of the white label operations.

#### **Principal risks and uncertainties**

The directors have assessed the main risks facing the company as being increased competition. However, the directors consider the quality of service provided and continued investment in our services will enable the business to maintain a strong position.

#### **Key performance indicators**

We monitor performance each month by comparing actual performance against the previous year and against our annual budgets. We pay particular attention to the following key performance indicators:

The following amounts shown are rounded to the nearest whole £1,000 (unless a percentage).

Turnover:	£43,908	(2015: £40,752)
Gross profit:	£8,167	(2015: £7,374)
Gross margin %:	18.6%	(2015: 18.1%)
EBITDA:	£1,409	(2015: £1,111)
EBITDA %:	3.2%	(2015: 2.7%)
Cash at bank:	£2,134	(2015: £1,161)
Shareholders funds:	£1,413	(2015: £192)

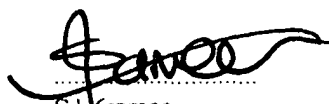
Gross margin increased during the year and remains strong, as does EBITDA (earnings before interest, tax, depreciation and amortisation).

We believe that the shareholders' funds carried forward are reasonable given the £nil (2015: £3.8m) dividend declared and paid during the year and that the prospects of future growth are good.

#### **Financial Risk Management**

We make little use of financial instruments other than an operational bank account and bank borrowings. We consider that our exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the financial position or results of the Company.

On behalf of the board

  
SJ Kramer  
Director  
20/12/16

# PARCEL2GO.COM LIMITED

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

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The directors present their annual report and financial statements for the year ended 31 March 2016.

### Principal activities

The principal activity of the company during the year was the provision of online parcel delivery services.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

HPA Adams-Mercer  
RHP Adams-Mercer  
JB Greenbury  
SJ Kramer  
CA Simpson

### Results and dividends

The results for the year are set out on page 5.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.


### Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

### Strategic report

The company has chosen in accordance with Companies Act 2006 2.414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch .7 to be contained in the directors' report.

On behalf of the board

  
SJ Kramer  
Director  
20/12/16

# **PARCEL2GO.COM LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2016**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARCEL2GO.COM LIMITED

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We have audited the financial statements on pages 5 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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.



Anthony Steiner (Senior Statutory Auditor)  
for and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
3 Hardman Street  
Manchester  
M3 3HF  
22/12/16

# PARCEL2GO.COM LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

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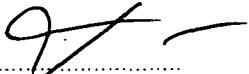
		2016 £000	2015 £000
	Notes		
Turnover	3	43,908	40,752
Cost of sales		(35,741)	(33,378)
		<hr/>	<hr/>
<b>Gross profit</b>		8,167	7,374
Administrative expenses		(6,831)	(6,335)
		<hr/>	<hr/>
<b>Operating profit</b>	5	1,336	1,039
Interest payable and similar charges	8	-	(2)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		1,336	1,037
Taxation	9	(115)	(187)
		<hr/>	<hr/>
<b>Profit for the financial year</b>		<u>1,221</u>	<u>850</u>

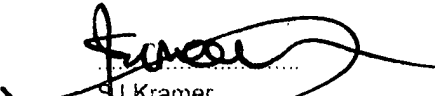
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**PARCEL2GO.COM LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2016**

	Notes	2016 £000	£000	2015 £000	£000
<b>Fixed assets</b>					
Intangible assets	11		7		-
Tangible assets	12		206		124
			<u>213</u>		<u>124</u>
<b>Current assets</b>					
Debtors	13	5,274		4,648	
Cash at bank and in hand		2,134		1,161	
		<u>7,408</u>		<u>5,809</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(6,194)</u>		<u>(5,736)</u>	
<b>Net current assets</b>			<u>1,214</u>		<u>.73</u>
<b>Total assets less current liabilities</b>			<u>1,427</u>		<u>197</u>
<b>Provisions for liabilities</b>	16		<u>(14)</u>		<u>(5)</u>
<b>Net assets</b>			<u><u>1,413</u></u>		<u><u>192</u></u>
<b>Capital and reserves</b>					
Called up share capital	18		1		1
Profit and loss reserves			<u>1,412</u>		<u>191</u>
<b>Total equity</b>			<u><u>1,413</u></u>		<u><u>192</u></u>

The financial statements were approved by the board of directors and authorised for issue on 20 December 2016 and are signed on its behalf by:

  
 RHP Adams-Mercer  
 Director

  
 SJ Kramer  
 Director



# PARCEL2GO.COM LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Share capital £000	Profit and loss reserves £000	Total £000
Balance at 1 April 2014		1	3,141	3,142
Year ended 31 March 2015:				
Profit and total comprehensive income for the year		-	850	850
Dividends	10	-	(3,800)	(3,800)
Balance at 31 March 2015		1	191	192
Year ended 31 March 2016:				
Profit and total comprehensive income for the year		-	1,221	1,221
Balance at 31 March 2016		1	1,412	1,413

# PARCEL2GO.COM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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### 1 Accounting policies

#### Company information

Parcel2go.com Limited is a company limited by shares incorporated in England and Wales. The registered office is The Cube, Coe Street, Off Bridgeman Street, Bolton, Lancashire, BL3 6BU.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

#### Accounting convention

These financial statements are the first financial statements of Parcel2go.com Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. The financial statements of Parcel2go.com Limited for the year ended 31 March 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in retained earnings at the transition date and are detailed in note 22.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

The financial statements have been prepared under the historical cost convention.

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements in respect of its individual financial statements. These disclosures are given on a consolidated basis;

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' - Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

# PARCEL2GO.COM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

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### 1 Accounting policies (Continued)

#### Going concern

As part of its going concern review the directors have followed the guidelines published by the Financial Reporting Council entitled "Guidance on Risk Management and Internal Control and related Financial and Business Reporting". The directors have prepared detailed financial forecasts and cash flows looking 12 months ahead from the date the accounts are signed. In drawing up these forecasts the directors have made assumptions based upon their view of the current and future economic conditions that will prevail over the forecast period.

The current cash funding requirements prepared by management have given the directors a reasonable expectation that the company will have sufficient resources available to continue in operational existence for the foreseeable future, with the confirmed continued support of its bankers. For these reasons, the directors consider it appropriate to prepare the financial statements on a going concern basis.

#### Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	25% straight line
----------	-------------------

#### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	25% straight line
Plant and machinery	25% reducing balance & 25% straight line
Fixtures & Fittings	25% reducing balance & 25% straight line
Equipment	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

# PARCEL2GO.COM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

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### 1 Accounting policies (Continued)

#### **Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the 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 an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

# PARCEL2GO.COM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

---

### 1 Accounting policies (Continued)

#### **Other financial assets**

Other financial assets, including trade investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

#### **Other financial liabilities**

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

# PARCEL2GO.COM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

---

### 1 Accounting policies (Continued)

#### Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

#### Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

#### Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

# PARCEL2GO.COM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

---

### 1 Accounting policies (Continued)

#### Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

#### Research and development

The Company capitalises development expenditure as an intangible asset when it is able to demonstrate all of the following:

- a) The technical feasibility of completing the development so the intangible asset will be available for use and sale.
- b) Its intention to complete the development and to use or sell the intangible asset.
- c) Its ability to use or sell the intangible asset
- d) How the intangible asset will generate probable future economic benefits
- e) The availability of adequate technical, financial and other resources to complete the development and to use and sell the intangible asset.
- f) Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Capitalised development expenditure is initially recognised at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

All research and development expenditure that does not meet the above conditions is expensed as incurred.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical accounting estimates and assumptions

The directors consider there to be no estimations and assumptions that are at risk of causing material adjustment to the carrying value of assets and liabilities.

# PARCEL2GO.COM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 £000	2015 £000
<b>Turnover analysed by class of business</b>		
Turnover attributable to the principal activity	43,908	40,752

#### Turnover analysed by geographical market

	2016 £000	2015 £000
United Kingdom	43,124	40,030
Rest of European Union	784	722
	43,908	40,752

### 4 Exceptional costs/(income)

	2016 £000	2015 £000
Exceptional - Non recurring project costs	-	257

During the year ended 31 March 2015 exceptional costs were incurred on a non-recurring project.

### 5 Operating profit

	2016 £000	2015 £000
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	-	9
Fees payable to the company's auditor for the audit of the company's financial statements	14	12
Depreciation of owned tangible fixed assets	73	72
Loss on disposal of tangible fixed assets	5	-
Operating lease charges	30	30

The company has research and development expenditure of £285k (2015: £240k). The costs are written off in the year in which it is incurred.



# PARCEL2GO.COM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Number of distribution staff - full time	1	3
Number of administrative staff - full time	70	57
Number of administrative staff - part time	82	58
Number of management staff - full time	7	7
Number of management staff - part time	3	2
	<u>163</u>	<u>127</u>

Their aggregate remuneration comprised:

	2016 £000	2015 £000
Wages and salaries	2,801	2,157
Social security costs	253	190
Pension costs	14	7
	<u>3,068</u>	<u>2,354</u>

### 7 Directors' remuneration

	2016 £000	2015 £000
Remuneration for qualifying services	380	360
Company pension contributions to defined contribution schemes	2	1
	<u>382</u>	<u>361</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>175</u>	<u>175</u>
--------------------------------------	------------	------------

There were pension contributions of £366 (2015: £211) in respect of the highest paid director.

# PARCEL2GO.COM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 8 Interest payable and similar charges

	2016 £000	2015 £000
<b>Other finance costs:</b>		
Other interest	-	2
	<u>-</u>	<u>2</u>

### 9 Taxation

	2016 £000	2015 £000
<b>Current tax</b>		
UK corporation tax on profits for the current period	160	188
Adjustments in respect of prior periods	(54)	-
	<u>106</u>	<u>188</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	9	(1)
	<u>115</u>	<u>187</u>

The charge for the year can be reconciled to the profit per the income statement as follows:

	2016 £000	2015 £000
Profit before taxation	<u>1,336</u>	<u>1,037</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 21.00%)	267	218
Tax effect of expenses that are not deductible in determining taxable profit	-	55
Group relief	(28)	(28)
Depreciation on assets not qualifying for tax allowances	5	5
Under/(over) provided in the year	(54)	-
Other differences/deduction for R&D expenditure	(74)	(63)
Deferred tax differences	(1)	-
	<u>115</u>	<u>187</u>

#### Factors affecting future tax charges

The main rate of corporation tax has been reduced from 21% to 20% in 2015/16. This will be further reduced to 19% for financial years starting on 1 April 2017 and then to 18% from 1 April 2020, thus aligning the main company rate and the small company rate. These reductions were substantively enacted on 26 October 2015.

# PARCEL2GO.COM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 10 Dividends

	2016 £000	2015 £000
Final paid	-	3,800

During the year a dividend of £Nil (2015: £3,402) per share was paid to shareholders.

### 11 Intangible fixed assets

	Software £000
<b>Cost</b>	
At 1 April 2015	298
Additions - separately acquired	7
At 31 March 2016	305
<b>Amortisation and impairment</b>	
At 1 April 2015 and 31 March 2016	298
<b>Carrying amount</b>	
At 31 March 2016	7
At 31 March 2015	-

### 12 Tangible fixed assets

	Leasehold improvements £000	Plant and machinery £000	Fixtures & Fittings £000	Equipment £000	Total £000
<b>Cost</b>					
At 1 April 2015	245	92	82	109	528
Additions	138	2	4	16	160
Disposals	-	(47)	-	-	(47)
At 31 March 2016	383	47	86	125	641
<b>Depreciation and impairment</b>					
At 1 April 2015	172	82	72	78	404
Depreciation charged in the year	53	2	4	14	73
Eliminated in respect of disposals	-	(42)	-	-	(42)
At 31 March 2016	225	42	76	92	435
<b>Carrying amount</b>					
At 31 March 2016	158	5	10	33	206
At 31 March 2015	73	10	10	31	124

# **PARCEL2GO.COM LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2016**

### **13 Debtors**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	81	25
Amounts due from fellow group undertakings	4,133	3,845
Other debtors	896	679
Prepayments and accrued income	164	99
	<u>5,274</u>	<u>4,648</u>

### **14 Creditors: amounts falling due within one year**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Payments received on account	798	838
Trade creditors	3,818	4,060
Corporation tax	78	55
Other taxation and social security	272	135
Accruals and deferred income	1,228	648
	<u>6,194</u>	<u>5,736</u>

### **15 Provisions for liabilities**

	<b>Notes</b>	<b>2016</b>	<b>2015</b>
		<b>£000</b>	<b>£000</b>
Deferred tax liabilities	16	14	5
		<u>14</u>	<u>5</u>

### **16 Deferred taxation**

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	<b>Liabilities</b>	<b>Liabilities</b>
	<b>2016</b>	<b>2015</b>
<b>Balances:</b>	<b>£000</b>	<b>£000</b>
Excess of taxation allowances over depreciation	14	5
	<u>14</u>	<u>5</u>

# PARCEL2GO.COM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 16 Deferred taxation (Continued)

	2016 £000
<b>Movements in the year:</b>	
Liability at 1 April 2015	5
Charge to profit or loss	9
	<u>14</u>
Liability at 31 March 2016	<u>14</u>

### 17 Retirement benefit schemes

#### Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £14k (2015: £7k).

### 18 Share capital

	2016 £000	2015 £000
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
1,117 Ordinary shares of £1 each	1	1

Options have been granted to certain employees of Parcel2Go.com Limited in respect of service under the P2G.com Worldwide Enterprise Management Scheme, at the redeemable option price of 1p per share. The options are exercisable at any time within 10 years from the grant date in the event of a sale, liquidation or change in control of the company.

At 31 March 2016 options had been granted and had not expired in respect of 3,576 'A' Ordinary shares under this scheme (2015: 2,517 options). No options were exercised during the period.

The company has not applied the provisions of Section 26 of FRS 102 to the options above, as the share option charge is deemed immaterial by the Directors.

#### Share premium account:

At 31 March 2016 the balance on the share premium account was £384 (2015 - £384).

# PARCEL2GO.COM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

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### 19 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £000	2015 £000
Within one year	30	30
Between two and five years	20	50
	<u>50</u>	<u>80</u>

# PARCEL2GO.COM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

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### 20 Related party transactions

The Company's main premises are rented at normal commercial rates from Sat Pro and Adams Mercer Properties, business of which HPA Adams-Mercer and RHP Adams-Mercer are proprietors or partners. There have also been miscellaneous sales and purchases of goods and services with Sat Pro. In addition, in the previous year the Company sold a motor vehicle to Sat Pro for £5K, which was considered to be market value.

The Company has traded in the normal course of business with Charon International Ltd (trading as the Snugg) and Go Charitable Ltd, companies of which RHP Adams-Mercer is or was a director and shareholder. The company has also traded in the normal course of business with TopBrands2Go.com and Cube Fulfilment Limited, companies of which HPA Adams-Mercer is or was a director and shareholder.

M Brown is a shareholder of the Parent Company and a former employee of the Company. Since February 2014 he has also been a director of Felicitas Media Ltd and since June 2014 a director of Renatus IT Limited, both businesses have provided services to the Company.

Purchases from related parties during the period (£000):

Sat Pro - 61 (2015 - 57)  
Adams-Mercer Properties - 10 (2015 - 12)  
Go Charitable Ltd - 1 (2015 - Nil)  
Felicitas Media Ltd - Nil (2015 - 19)  
Renatus IT: 8 (2015 - 177)  
Cube Fulfilment - 29 (2015 - Nil)

Sales to related parties during the period (£000):

Sat Pro - 12 (2015 - 13)  
Go Charitable Ltd - 1 (2015 - 2)  
Felicitas Media Ltd - Nil (2015 - 11)  
Cube Fulfilment - 15 (2015 - Nil)  
Charon International Ltd (t/a The Snugg): 8 (2015 - 12)

Amounts owed by (to) related parties at year-end (£000):

Sat Pro: 3 (2015 - (4))  
Felicitas Media Ltd: Nil (2015 - 5)  
Charon International Ltd (t/a The Snugg): 1 (2015 - 2)  
Adams-Mercer Properties - (2) (2015 - Nil)

### 21 Controlling party

The company is controlled by its parent company P2G.com Worldwide Limited, the financial statements of which can be obtained by Companies House.

The directors do not consider there to be an ultimate controlling party.

# PARCEL2GO.COM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 22 Reconciliations on adoption of FRS 102

#### Reconciliation of equity

	1 April 2014 £000	31 March 2015 £000
Notes		
Equity as reported under previous UK GAAP	3,154	212
Adjustments arising from transition to FRS 102:		
Holiday pay	(12)	(20)
Equity reported under FRS 102	<u>3,142</u>	<u>192</u>

#### Reconciliation of profit/ (loss)

Notes	2015 £000
Profit/ (loss) as reported under previous UK GAAP	858
Adjustments arising from transition to FRS 102:	
Holiday pay	(8)
Profit/ (loss) reported under FRS 102	<u>850</u>

### Notes to reconciliations on adoption of FRS 102

#### Holiday pay accrual

FRS 102 requires holiday pay to be accrued as a liability and therefore at transition date, 1 April 2014, an accrual of £12,000 has been recognised. At the comparative balance sheet date the accrual was recognised at £20,000 meaning the movement of £8,000 has been recognised in the statement of comprehensive income at 31 March 2015.