Company Registration No. 03556304 (England and Wales)

APLE WORLDWIDE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

PAGES FOR FILING WITH REGISTRAR

APLE WORLDWIDE LIMITED

COMPANY INFORMATION

Director	S S Bright
Secretary	S S Bright
Company number	03556304
Registered office	Unit 23 Alston Drive Bradwell Abbey Milton Keynes Buckinghamshire MK13 9HA
Auditor	Mercer & Hole Silbury Court 420 Silbury Boulevard Central Milton Keynes Buckinghamshire MK9 2AF
Bankers	National Westminster Bank 501 Silbury Boulevard Saxon Gate East Milton Keynes Bucks MK9 3ER

APLE WORLDWIDE LIMITED

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The director presents the strategic report for the Year ended 31 December 2016.

Fair review of the business
The director is disappointed to report that further losses have been incurred in the period.

The company's results for the period show a loss (after tax) of £1,344,904 (2016: loss £294,847). The turnover and profitability of the company has decreased substantially compared to the prior year for two main reasons:

1) The prior period results were based on a 16 month period, which included the peak trading period in the calendar year twice.

2) Underlying trading is at lower level of activity compared to the prior year due to the closure of several loss making depots.

The losses have arisen primarily due to trading losses and closure costs associated with 5 loss making depots, which were opened in the 2014 financial year and intended to start the geographic spread of the business within the UK. Despite the efforts of management, the sites have not generated an adequate volume of business to cover the associated operating costs and the additional variable overheads connected with the larger scale of the business, which included running a dedicated customer service centre.

Whilst the expansion strategy was based on customer demand and the locations had the potential to be successful, the level of business required for the depots to operate profitably could not be generated. This was partly due to customer issues at a local level, which was difficult to address as the wide geographic spread of the locations restricted the ability of company management to devote the level of time that was required to identify and then address the issues experienced.

Despite efforts to address the situation, management were unable to secure the critical mass in these depots to enable them to break even and reluctantly decided to exit 5 locations, incurring closure costs that have added to the losses generated and have led to a loss after tax of £1,344,904 being incurred for the period.

Since the closures, which have taken place over the last 18 months, management are in the process of implementing a recovery plan to focus on 6 key operating locations and they are pleased with the progress made. Great effort has been made to improve operational efficiencies, so the director expects the business to break even for the year ended 31 December 2017 and believes the company will return to profitability in the 2018 financial year.

The director is very grateful for teamwork and dedication displayed by a number of key employees and looks forward to continued progress over the forthcoming year.

Principal risks and uncertainties
The principal risks facing the company can broadly be grouped as competitive, legislative and financial.

Competitive
The economy continues to be very challenging, and the sector continues to be very competitive with a number of legislative pressures impacting costs.

The director believes that the strong customer relations the business enjoys together with a new focus on key operational locations will help the business to compete and recover from the substantial losses incurred during the year from exiting a number of loss making locations.

The director acknowledges that one of the main risks the business faces is the high dependence on its main customer, Amazon. The company has a strong commitment to high customer service levels and over recent months has had consistently strong delivery KPI's and has been assured of continued support from Amazon UK senior management.

Legislative Risks
The logistics sector is subject to a number of specific legislative standards, in addition to the general legislative environment faced by all businesses. These including operator, driver and vehicle licensing, vehicle safety requirements and controls in respect of the carriage of certain items. The company has a strong emphasis on compliance and the director is satisfied that these risks are being managed effectively.

Financial
The company's main financial instruments comprise cash and items such as debtors and creditors. The main purpose of these instruments is to provide finance for the company's operations. There are limited risks arising to the company as a result of these instruments and the director agrees policies for the management of these instruments, which are detailed below.

a) Credit risk - The company seeks to minimise any credit risk by dealing with established and financially sound customers. It establishes clear contractual relationships and identifies credit issues in a timely manner. The director considers the financial situation of the key customers of the company to ensure that this risk is adequately managed to protect the company. Largely as a result of this level of scrutiny, the company incurred minimal customer bad debts during the year.

b) Liquidity risk - The company seeks to manage and minimise financial risk by trying to ensure that sufficient liquidity is available to meet working capital requirements and by investing cash assets safely and profitably. This has been challenging over the past year and the director appreciates the support of its suppliers and creditors.

c) Going concern risk - It is the duty of the director to consider the ability of the company to continue to trade for the foreseeable future and in doing this the director has considered any uncertainties in the market, available funding and any other economic factors which impact the ability of the company to trade in the future. The director has received assurances from key suppliers and its key customer that they will support the business while it implements its recovery plan and on that basis the director has decided that it is appropriate to prepare the financial statements on a going concern basis.

Key performance indicators
Position of the company at year-end

Profit & Loss Account

The company's results for the period show a loss (after tax) of £1,344,904 (2016: loss £294,847). The turnover and profitability of the company has decreased substantially compared to the prior year for two main reasons:

1) The prior period results were based on a 16 month period, which included the peak period in the calendar year twice

2) Underlying trading is at lower level of activity compared to the prior year due to the closure of several loss making depots, resulting in one off costs relating to their closure being incurred. The losses at the depots, combined with the closure costs have led to a gross loss for the period.

Management are in the process of implementing a recovery plan to focus on key locations and with the support of their key customer and key suppliers they are pleased with the progress being made.

Balance Sheet

Due to the losses made in the year, the balance sheet is insolvent by £866,732 (2016: Net assets of £478,172). The company is reliant on the continued support of its creditors to continue trading and although the director has been given assurances that the support will continue, in the event that it is withdrawn the company would be unable to continue trading.

Management Information

The director monitors performance through a range of management information and KPI's covering both financial and operational aspects of the business.

On behalf of the board

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S S Bright
Director
21/12/2017

APLE WORLDWIDE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	6		114,493		232,791
Current assets					
Debtors	8	517,683		1,931,241	
Cash at bank and in hand		464,602		67,479	
		982,285		1,998,720	
Creditors: amounts falling due within one year	9	(1,925,461)		(1,666,088)	
Net current (liabilities)/assets			(943,176)		332,632
Total assets less current liabilities			(828,683)		565,423
Creditors: amounts falling due after more than one year	10		(18,148)		(87,251)
Provisions for liabilities	11		(19,901)		-
Net (liabilities)/assets			(866,732)		478,172
Capital and reserves					
Called up share capital	12		200		200
Profit and loss reserves	13		(866,932)		477,972
Total equity			(866,732)		478,172

The director of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and signed by the director and authorised for issue on 21/12/2017

S S Bright
Director

Company Registration No. 03556304

1 Accounting policies

Company information

APLE Worldwide Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 23 Alston Drive, Bradwell Abbey, Milton Keynes, Buckinghamshire, MK13 9HA.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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 £.

The financial statements have been prepared under the historical cost convention, The principal accounting policies adopted are set out below.

These financial statements for the Year ended 31 December 2016 are the first financial statements of APLE Worldwide Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 30 August 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

These financial statements are prepared on the going concern basis.

As at 31 December 2016 the company has an excess of liabilities over assets and is dependent on the continuing support of its creditors. Should this support be withdrawn and the amounts due called in for payment then the company would be unable to continue trading. The current liabilities shown in the financial statements include an amount of £455,821 payable to a company with common shareholders on which credit terms have been extended and accruals of £243,247 in respect of property and vehicle repair costs that will crystallise only when the lease or hire period ceases. Ignoring these sums, the excess of liabilities over assets is £167,664.

The position has arisen due to significant losses which have been incurred operating 5 loss making depots, which were opened in the 2014 financial year and which have been consistently loss making. Despite the efforts of management, the sites have not generated sufficient volume of business to cover the associated operating costs. During the year under review the company started a program of closing these depots, which incurred further closure costs. At the point of signing the financial statements the director confirms that the depot closures are complete and that the business is expected to trade profitably moving forward. Further detail is included in the Strategic Report on page 1.

The director has adopted the going concern basis of accounting as based on the information available at the time of approving the financial statements the director has a reasonable expectation that the company will continue in operational existence for the foreseeable future.

1.3 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.

1 Accounting policies (Continued)

1.4 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:

Plant and machinery	15% on cost
Fixtures, fittings & equipment	15% on cost
Motor vehicles	25% on cost

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.

1.5 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 the profit and loss account, 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) in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss account, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and 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.

1 Accounting policies **(Continued)**

1.7 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 in the company's balance sheet 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 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, 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 the profit and loss account, except that investments in equity instruments that are not publicly 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 the profit and loss account, 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 the profit and loss account.

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 the profit and loss account.

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.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.8 Equity instruments

Equity instruments issued by the company are recorded at the 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.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1 Accounting policies (Continued)

1.10 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.

1.11 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is 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.

3 Employees

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

	2016 Number	2015 Number
	21	63

3 Employees **(Continued)**

Their aggregate remuneration comprised:

	2016	2015
	£	£
Wages and salaries	480,584	2,454,228
Social security costs	43,110	225,069
	523,694	2,679,297

4 Director's remuneration

	2016	2015
	£	£
Remuneration for qualifying services	16,560	22,080

5 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 January 2016 and 31 December 2016	2,110
Amortisation and impairment	
At 1 January 2016 and 31 December 2016	2,110
Carrying amount	
At 31 December 2016	-
At 31 December 2015	-

6 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2016	1,495	35,659	380,260	417,414
Additions	-	153	-	153
Disposals	-	-	(75)	(75)
At 31 December 2016	1,495	35,812	380,185	417,492
Depreciation and impairment				
At 1 January 2016	188	3,907	180,528	184,623
Depreciation charged in the Year	224	5,352	112,800	118,376
At 31 December 2016	412	9,259	293,328	302,999
Carrying amount				
At 31 December 2016	1,083	26,553	86,857	114,493
At 31 December 2015	1,307	31,752	199,732	232,791

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2016	2015
	£	£
Motor vehicles	79,671	182,425
Depreciation charge for the Year in respect of leased assets	98,680	5,777

7 Financial instruments

	2016	2015
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	493,671	1,803,344
Carrying amount of financial liabilities		
Measured at amortised cost	1,822,853	1,598,797

8 Debtors

	2016	2015
Amounts falling due within one year:	**£**	**£**
Trade debtors	483,068	1,507,812
Corporation tax recoverable	-	18,570
Other debtors	10,603	295,532
Prepayments and accrued income	24,012	63,730
	517,683	1,885,644

	2016	2015
Amounts falling due after more than one year:	**£**	**£**
Deferred tax asset	-	45,597
Total debtors	517,683	1,931,241

9 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Obligations under finance leases		73,740	73,740
Trade creditors		1,292,858	1,048,955
Other taxation and social security		120,756	154,542
Other creditors		41,896	42,420
Accruals and deferred income		396,211	346,431
		1,925,461	1,666,088

10 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Obligations under finance leases		18,148	87,251

11 Provisions for liabilities

	Notes	2016 £	2015 £
Deferred tax liabilities		19,901	-

12 Share capital

	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary Shares of £1 each	100	100
100 Ordinary A Shares of £1 each	100	100
	200	200

13 Profit and loss reserves

The profit and loss account represents cumulative profits or losses net of dividends and other adjustments.

14 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.
Emphasis of matter

Going concern
In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1.2 of the financial statements concerning the uncertainty as to the company's ability to continue trading. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

The senior statutory auditor was Philip Fenn ACA FCCA.
The auditor was Mercer & Hole.

15 Financial commitments, guarantees and contingent liabilities

The company has entered in to a rent deposit deed dated 27 March 2007 for £22,700 and a rent deposit deed dated 5 October 2012 for £4,549.

16 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	2015
	£	£
Within one year	8,515	34,060
Between two and five years	6,360	8,515
	14,875	42,575

17 Directors' transactions

Interest free loans have been granted to the company by its directors as follows:

Description	% Rate	Opening balance £	Amounts repaid £	Closing balance £
S S Bright - Current account	-	(37,287)	1,091	(36,196)
		(37,287)	1,091	(36,196)

18 Controlling party

The ultimate controlling party is S S Bright.