

Company Registration No. 12712655

Project Bolt Newco 1 Limited

Annual Report and Financial Statements

For the year ended 31 December 2022



Project Bolt Newco 1 Limited

Annual report and financial statements for the year ended 31 December 2022

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Project Bolt Newco 1 Limited

Annual report and financial statements for the year ended 31 December 2022

Officers and professional advisers

Directors

David Michael Williams		(Appointed 24/07/2020)
Gary James West		(Appointed 24/07/2020)
David Laurence Adams		(Appointed 14/02/2022)
Elaine Janet Kerr	(Chair)	(Appointed 14/02/2022)
Justin Pegg		(Appointed 14/02/2022)
Chris Coulton		(Resigned 11/01/2022)
Jonathan Halford	(Chair)	(Resigned 11/01/2022)
Steve Aston		(Resigned 11/01/2022)
Patrick Elborough Sellers		(Resigned 11/01/2022)

Company Secretary

Justin Neil Clarke	(Appointed 17/01/2022)
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Registered Office

RedCentral
60 High Street
Redhill
Surrey
RH1 1SH

Banker

The Royal Bank of Scotland PLC
280 Bishopsgate
London
EC2M 4RB

Auditor

KPMG LLP
Chartered Accountants and Statutory Auditor
Global House, High Street, Crawley
RH10 1DQ

Project Bolt Newco 1 Limited

Strategic report

Principal activities

The principal activities of the Group during the period were the provision of same day courier services.

Project Bolt Newco 1 Limited (“the Company”) is the ultimate parent company of the CitySprint Group or “the Group”.

On 11 January 2022 the sale of the Group to DPDgroup UK Limited was completed. CitySprint is expected to continue to thrive as part of DPDgroup and the wider global GeoPost Group, and is already working with DPDgroup’s customers and benefiting from DPDgroup’s infrastructure since the sale completed.

CitySprint made strong progress over the year, resulting in annual turnover growth of 4% to £169.7 million (year ended December 2021: £162.4 million) and EBITDA of £19.5 million (year ended December 2021: £23.6 million). A decrease in EBITDA was expected, as the Group adapted to the changing market dynamics of inflationary pressures, the war in Ukraine and COVID-19. In this context, it was encouraging that overall revenue grew even as COVID-19 related revenues reduced, and that the Group recorded a significant increase in Operating income in the year.

CitySprint’s market leading proposition and geographical coverage results in a compelling proposition for both large, complex national customers and smaller, local customers. Each requires a high level of reliability and operational performance which are a hallmark of CitySprint’s proposition. This would not be possible without CitySprint’s colleagues and courier partners and the Board would therefore like to take this opportunity to thank all these for their continued hard work for our customers over the year.

During the year CitySprint was delighted to purchase EcoSpeed, based in North-West England. EcoSpeed contributed £4.8 million of revenue in the period since acquisition. The Board of CitySprint welcome all of the colleagues and customers of EcoSpeed, as well as those of Astral Couriers, based in South-West England, which joined CitySprint towards the end of the year, and Absolutely Couriers, which was acquired by the Group after the year end in February 2023.

Key financial highlights include:

- Turnover of £169.7 million (December 2021: £162.4 million).
- EBITDA of £19.5 million (December 2021: £23.6 million).
- Operating income of £7.2 million (December 2021: £1.1 million).
- Profit after taxation in the period of £6.0 million (December 2021: Loss £4.9 million).

Outlook

CitySprint is in a strong position to weather the changing market dynamics brought about from inflationary pressures and the wider cost of living crisis. Following the acquisition by the DPDgroup, all external debt has been repaid and CitySprint has a much strengthened balance sheet, enabling it to continue to be the clear leader in the UK same day courier market.

The Board would therefore like to take this opportunity to thank all of our employees for their continued unrelenting commitment and support for the Group; it is very much appreciated.

Principal risks and uncertainties

The principal risks and uncertainties facing the Group are described below:

Competitive risks

The Group operates in a competitive market and some of the contracts it has are subject to periodic competitive tender. The Group is able to continue to offer competitive pricing due to its national geographic coverage scale and service offering.

Project Bolt Newco 1 Limited

Strategic report (continued)

Exposure to credit and liquidity risk

Cash flow risks

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Interest bearing assets and liabilities are held at a fixed rate to ensure certainty of cash flows.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Group policies are aimed at minimising such losses and the Group runs an effective credit control operation and limits individual trade debtors to appropriate credit levels based on their financial strength.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group aims to mitigate liquidity risk by managing cash generation through its operations, applying cash collection targets throughout the Group.

Section 172 Statement

The following disclosure describe how the directors have had regard to the matters set out in section 172(1)(a)-(f) and forms the directors statement required under section 414CZA of the Companies Act 2006.

Risk Management

The Group's risk management remains a key component of its strategy for success. Risks are identified, evaluated, managed and mitigated. Risk management is a core part of the Group's ISO 9001 certified quality management system and is subject to both internal and external audit. The Group's risk register is co-managed by the Group's Head of Compliance and Director of IT Operations. New risks are added and established risks are scored and reviewed monthly by the Group's leadership team and internal subject experts. Where deemed necessary external support is used to assess and mitigate key risks.

Engaging with our shareholders

A small number of the Group's shareholders (which include members of the Group's Board) continue to be actively engaged within the business in an executive capacity. Following a period focused on enhancing the operations of the Group, the Board intends to pursue a growth strategy based on leadership of the UK same day, mission critical delivery market. Crucial to achieving this is maintaining high customer service levels and meeting ever complex customer demands.

The Board comprised of executives and non-executive members, including those appointed by the Group's main shareholder Lloyds Development Capital and those approved by the Group's senior lenders until ownership transferred on the 11 January 2022 to DPDgroup UK Limited. After the period end, three representative of DPDgroup UK Limited were appointed to the Group's Board. The Board meet formally every month, and ad hoc as necessary throughout the year. The Board recognises the importance of continuing an effective and transparent dialogue with shareholders and ensuring that non-management shareholders understand and support the Group's strategy and objectives.

Project Bolt Newco 1 Limited

Strategic report (continued)

Engaging with our shareholders (continued)

At each monthly Board meeting operational and financial performance is reviewed, together with sales pipelines, to understand how the Group's strategy is being delivered. Opportunities for accelerating the delivery of the strategy are also considered. At least annually the Group's strategy and plan for the forthcoming year is explained and discussed with shareholders and senior employees with quarterly reporting, conferences and update reviews.

Culture and environment

The Directors believe that communication and insight into Group's goals and plans are key to the success of a business and has adopted multiple communication strategies throughout the business. In particular, the Group is proud of its initiatives towards sustainability, reducing carbon emissions and helping the environment, which are supported throughout the organisation. The Company's impact on the environment is outlined in the Greenhouse gas and emissions section of the Director's report on page 7 to 9.

Business relationships

The Group is committed to acting ethically and with integrity in all business dealings and relationships. Fostering business relationships with key stakeholders, customers and suppliers is important to the Group's success. Certain members of the Leadership Team receive regular reports and meet as required with certain suppliers and customers that are key to the business to discuss feedback and to determine how well the relationship is operating. The Board regularly re-evaluates who the Group's key stakeholders are, in part taking in feedback from its employees, and engages with these stakeholders accordingly.

Engaging with Couriers

Across a 12-month period CitySprint will use the services of over 4,000 independent couriers. The Directors recognise that the ongoing commitment and engagement of these couriers is a key foundation to the success of the business. The key learnings from the 2020 courier engagement survey were implemented over 2021 and 2022.

In 2022, CitySprint continued to deliver initiatives to support our courier partners. This included the launch of an online courier hub, improvements to our courier help-support, and a Courier Champions Scheme. Couriers are now better informed, better supported and have clear feedback channels to ensure that changes and improvements can be implemented for mutual benefit.

Engaging with employees

The Directors recognise that the success of our business depends on attracting, retaining and motivating employees. The Group is committed to ensuring that they remain responsible employer, from pay and benefits, health and safety and workplace environment and in the period under review The Group invested in its People team to help the business and our colleagues achieve their goals. The Directors engage with employees through regular newsletters, visiting service centres, holding off-site meetings with the leadership teams and conducting employee surveys.

Approved by the Board and signed on its behalf by:

David Williams
Director



25 July 2023

Registered office:
RedCentral
60 High Street
Redhill
RH1 1SH

Project Bolt Newco 1 Limited

Directors' report

The directors present their financial statements and auditor's report, for the year ended 31 December 2022. The comparative period is the year ended 31 December 2021.

Principal activities

The principal activities of the Group during the period were the provision of same day courier services.

The principal activities of the Company during the period is that of a holding company.

Future developments and events after the balance sheet date

Details of future developments and events that have occurred after the balance sheet date can be found in the strategic report and in the subsequent event note 25.

Research and development

Research and development continues to be a priority for the Group. In particular, the Group commenced a five-year programme to enhance its systems infrastructure combining best-in-class 3rd party software with in-house customer applications.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Group had a cash balance of £12.4 million as at 12 June and has no external debt facilities. The Company is a wholly owned subsidiary within the GeoPost SA group (GeoPost). GeoPost provided the Group with a £12 million, 8 year loan in February 2023 in order to fund the acquisition of Mach 1 Couriers Limited.

The directors have performed an assessment of the going concern covering a period of at least 12 months from the date of approval of these financial statements in order to assess going concern. In doing so they have considered cash flow forecasts prepared for the period up to 31 December 2024.

The base forecast reflects the approved budget for the year ended 31 December 2023 updated for current trading as well as forecasts to 31 December 2024 using historic growth trajectories and expected costs. The directors have also considered a severe but plausible downside scenario which has a reduction in revenue and gross margin, partly offset by known and anticipated cost reductions. Under this scenario the group and company remain cash generative and in a positive net cash position.

Under both the base case and the severe but plausible downside case, the forecasts indicate that the group and company will have sufficient liquidity to continue to settle liabilities as they fall due for a period of at least 12 months from the date of the approval of the financial statements.

Consequently, the Directors believe it is appropriate to continue to prepare the financial statements on a going concern basis.

Financial risk management objectives, policies and key risks and uncertainties

The Group's activities expose it to a number of financial risks including competitive risks, cash flow risk, credit risk and liquidity risk. These areas are all reviewed on a regular basis and are detailed in the Strategic report on page 2 - 4.

The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The Group does not use derivative financial instruments for speculative purposes.

The Group has established a risk and financial management framework whose primary objectives are to protect the Group from events that hinder the achievement of the Group's performance objectives. The objectives aim to ensure sufficient working capital exists and monitor the management of risk at a business unit level.

Project Bolt Newco 1 Limited

Directors' report (continued)

Dividends

The directors do not recommend the payment of a final dividend (Dec 2021: £nil).

Directors

The directors who held office during the year and up to the date of approval of these financial statements, except as noted, were as follows:

David Michael Williams		(Appointed 24/07/2020)
Gary James West		(Appointed 24/07/2020)
David Laurence Adams		(Appointed 14/02/2022)
Elaine Janet Kerr	(Chair)	(Appointed 14/02/2022)
Justin Pegg		(Appointed 14/02/2022)
Chris Coulton		(Resigned 11/01/2022)
Jonathan Halford	(Chair)	(Resigned 11/01/2022)
Steve Aston		(Resigned 11/01/2022)
Patrick Elborough Sellers		(Resigned 11/01/2022)

Company Secretary

Justin Neil Clarke (Appointed 17/01/2022)

Directors' indemnities

Directors and officer's indemnity insurance was in place throughout the year and at the date of approval of these financial statements.

Charitable contributions

During the year the Group made charitable donations of £69,213 (Dec 2021: £65,552).

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group and the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on various factors affecting the performance of the Group and the Company. This is achieved by having an ongoing policy of providing feedback to employees, not only on their individual performance, but on the performance of the business. To this end, the Chief Executive issues a regular newsletter and an annual conference is held with key employees attending.

Impact on the community and wider environment

The Company works hard to form long-term, mutually beneficial relationships with a wide variety of external stakeholders, including customers, suppliers and local communities. "Doing the right thing" is a key component of decision making and will often take precedent over the direct financial impact of a decision. The Company and its employees, both directly and indirectly, undertake charitable endeavours which support local, national and international good causes.

Project Bolt Newco 1 Limited

Directors' report (continued)

Engagement with suppliers, customers and others in a business relationship with the Company

The Group has an open dialogue with its customers through a number of communication lines, including in regular emails, alerts and direct contact via sales team members. The Group works in partnership with local and national suppliers for mutual benefit. All suppliers are treated in line with Group values. Regular communication is held with key suppliers, including couriers, to ensure that they are kept updated with the Group's activities.

Greenhouse gas emissions, energy consumption and energy efficiency action

CitySprint has embraced its responsibility to reduce the impacts of related business activities and set out the strategy for reducing its reliance on fossil fuels by increasing the use of electric vehicles (EVs) and reducing the energy we consume.

In 2022, achievement against targets has been outstanding, with a reduction of usage of electricity by 10%, which was significantly higher than our initial goal of 3%. This achievement was achieved by colleagues throughout the business acting to reduce energy use and embracing our energy savings campaign. This included tips, seminars and reminders on all colleagues and equipment. This effort highlights the commitment of the whole CitySprint team in achieving a greener business.

We have put in place relevant initiatives, such as the Energy Efficiency Campaign, promoting key messages aiming the sustainable use of energy and avoidance of waste in the everyday life of our business. A key part of the engagement program was the dissemination of energy consumption data to local teams leading to the targeting of locations who were doing well as well as those who needed to do more.

To push forward the understanding and use of Electric vehicles, CitySprint committed to deploying electric vans to 6 of its key city locations in 2022. However, with the success of the initial project, the company has introduced a further 30 EVs, and there was a correspondent increase in the number of miles travelled by green vehicles with Zero emissions.

2022 also saw CitySprint encourage colleagues to use EVs by introducing a salary sacrifice scheme to make access to green vehicles more affordable and further reduce our scope 3 emissions.

By the end of 2022, we had achieved a total of 553,920 emission free miles travelled, and the diversion of over 94,112 journeys away from diesel and petrol vehicles to zero emissions vehicles further reducing CO2 emissions by over 118.86 tonnes during 2022. In addition to increasing the number of green vehicles, we have focus on reducing the Diesel fuel that we use. This has been achieved by training the courier using diesel vehicles to drive in the most fuel-efficient way. With the couriers who have been through the training course reducing their emissions by 12% on average. This training program will now be rolled out to a wider audience in 2023.

In addition, we have worked to improve efficiency and to optimise every journey, through vehicle and allocation analysis, focusing on the most efficient routes, and reduce impacts while delivering more. We prioritise the use of electric vehicles and Cargo bikes instead of Diesel vans in city centres and reducing empty vehicle return journeys to the lowest possible levels. This has been achieved by targeting out of area couriers so that they get back loads eliminating the need to return to locations without a load onboard. This project has seen 36,000 journeys given to couriers who would have returned empty.

Route optimisation remains a key tool in reducing emissions and a focus on the greenest routes. To achieve this we use Paragon, our innovative route planning software. Through this tool, we complete a thorough overview of routes to analyse how and where routes can be improved, and how innovations could be implemented to reduce costs and carbon emissions.

Another step towards our goals is introducing more EVs to this type of delivery, and it is our plan to increase our fleet in the following years. Besides the new EVs introduced to our business in 2022, we plan on adding 110 more by the end of 2023.

Also, in 2021 CitySprint set a target to be carbon neutral by the third quarter of 2023, and this target was achieved 18 months ahead of the initial plan. CitySprint started offsetting its emissions from 1st January 2022. All carbon emissions (Scopes 1, 2 and 3) from the business are included, resulting in 28164.48 tonnes offset by the end of 2022.

Project Bolt Newco 1 Limited

Directors' report (continued)

Greenhouse gas emissions, energy consumption and energy efficiency action (continued)

All of these initiatives are important steps on CitySprint's journey to achieving net zero status, and it shows our commitment to improving our business.

2022 also saw CitySprint encourage colleagues to use EVs by introducing a salary sacrifice scheme to make access to green vehicles more affordable and further reduce our scope 3 emissions.

CitySprint Social Value

In 2022, CitySprint has improved its CSR plan aligning it with UN's Sustainable Development Goals (SDGs) and other relevant initiatives. These included a whole new strategic plan of actions and targets, such as defining the pathway to achieve net zero, reduction in energy use, increase in EVs and EV miles travelled, charitable partnerships and development of people both within the business and external contractors.

CitySprint wishes to make a difference in the communities we operate. So, in 2022, we had ambitious target to raise £150k in charitable donations. Which was achieved through combined effort of both company and colleagues raised donations.

To improve and strengthen our goal to be the partner of choice for self-employed couriers, we set out to help all couriers to grow and succeed in their own business. Therefore, in 2022, CitySprint launched an online courier hub, improvements to our courier help-support, and the Courier Champions Scheme.

All of these areas are very important to CitySprint's plans and they will continue to be a part of our business in 2023.

Infrastructure and Estate

During 2022 CitySprint switched energy suppliers but CitySprint continues in its commitments to only use gas and electricity derived from renewable sources and so its market-based emissions in scope 1 and 2 for electricity and gas remain negligible.

Several depots had outgrown their sites and were moved to larger premises. This has not led to an increase in energy use as the new locations have a better EPC classification. The closing of older less energy efficient sites has also improved the overall quality of the estate and has contributed to the reduction in electricity usage.

The deployment of EVs to an increased number of sites has required the provision of charging facilities. A target has been set for 2023 to provide EV charging points at all locations to encourage colleagues and subcontractors to switch to electric vehicles in the following years.

Plans for 2023

CitySprint's plans for 2023 include a range of initiatives and targets to shift journeys away from internal combustion engine ICE vehicles and to reduce carbon emissions.

Our target for zero emissions miles completed over 2023 aims at 1 million miles, which will nearly double the zero emission miles completed in 2022. This will be achieved by increasing CitySprint's EV fleet and the number of Cargo-bikes used.

We will also continue to divert more journeys to these vehicles, especially regarding regular routes and urban areas where electric vehicles can be used most effectively to reduce emissions

In 2023, CitySprint will keep on offsetting Scopes 1,2 and 3 emissions, continuing its commitment to be a carbon neutral business.

The reduction of energy consumption will remain a focus. This will be achieved with changes to site hardware to replace equipment with more energy efficient alternatives, alongside with the ongoing campaigns we have. We will continue to promote the avoidance of wasteful usage of energy.

Project Bolt Newco 1 Limited

Directors' report (continued)

Greenhouse gas emissions, energy consumption and energy efficiency action (continued)

Plans for 2022 (continued)

All these targets are achieved through the common effort of our business and support of our customers, aiming a greener future.

1. Same-day delivery: Electrifying our same-day delivery fleet by increasing the share of alternative transport solutions/ low-emission vehicles, such as electric vans, electric cars, electric motorbikes, and cargo bikes into the current fleet to 47% by 2030 (100% in 2040).

To guarantee the program will succeed CitySprint is acquiring electric vehicles for the fleet and studying alternatives to engage self-employed couriers to uptake EVs. We are also studying alternatives to installing charging points at service centres and subsidising the installation of home charging points at employed and self-employed couriers' homes.

2. Company cars: Electrifying the fleet of company cars by increasing the share of electric vehicles to 47% by 2030 (100% in 2040). CitySprint will launch a plan to introduce an Electric Vehicle salary sacrifice scheme, supporting colleagues to uptake EVs, and helping the transition to electric vehicles.
3. Buildings: CitySprint intends to keep purchasing renewable energy to power 100% of company buildings and drive towards more energy efficiency. In addition, our energy efficiency campaign will continue, to raise colleagues' awareness of the need to save energy is being designed.

	Year ended 31 Dec 2022 Tonnes CO2	Year ended 31 Dec 2021 Tonnes CO2
UK Emissions from		
Scope 1 (Direct)	673	789
Scope 2 (Energy Indirect)	198	224
Scope 3 (Other Indirect)	27,271	32,588
UK Energy consumed:	kWh	kWh
Electricity use	1,030,120	1,054,109
Gas combustion	290,327	1,481,421
Fuel consumption	208,268	203,373
Company's Chosen Intensity Measurement	Tonnes	Tonnes
Total CO ₂ emissions per £m revenue	167.8	204.1
Total CO ₂ emissions per employee	34.5	46.9
Total CO ₂ emissions per employee and courier contractor	7.5	8.7

Consumption data was determined by using invoices and meter data from suppliers and estimating fuel usage based on expenditure. Emissions were determined by applying the UK government conversion factors to the energy consumption values and aggregating the total.

Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year (Dec 2021: £ nil).

Project Bolt Newco 1 Limited

Directors' report (continued)

Disclosure of information to auditor

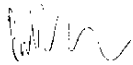
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself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

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board and signed on its behalf by:

David Williams



25 July 2023

Registered office:

RedCentral
60 High Street
RH1 1SH
Redhill

Statement of directors' responsibilities in respect of the Annual report, Strategic report, Directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 group and parent company and of the group's profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Project Bolt Newco 1 Limited

Opinion

We have audited the financial statements of Project Bolt Newco 1 Limited ("the Company") for the year ended 31 December 2022 which comprise the Consolidated Profit and loss account and other comprehensive income, Consolidated balance sheet, Company balance sheet, Consolidated statement of changes in equity, Company statement of changes in equity, Consolidated cash flow statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

Independent auditor's report to the members of Project Bolt Newco 1 Limited (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud and the Group's channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.
- Considering remuneration incentive schemes and performance targets for senior management and directors.
- Using analytical procedures to identify any unusual or unexpected relationships. We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that Group and component management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue consists of low value high volume transactions which are recognised when a courier confirms a job has been completed. Therefore, no judgement or complexity is involved in the revenue recognition process.

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included: those posted with unusual account pairings and entries to seldom-used accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

Independent auditor's report to the members of Project Bolt Newco 1 Limited (continued)

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment law, recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

We have nothing to report in these respects.

Independent auditor's report to the members of Project Bolt Newco 1 Limited (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 11, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent 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 they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Neha Shah ACA (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Global House, High Street, Crawley, RH10 1DQ

28 July 2023

Project Bolt Newco 1 Limited

Profit and Loss and Other Comprehensive Income For the year ended 31 December 2022

		Year ended 31 Dec 2022	Year ended 31 Dec 2021
	Note	£	£
Turnover	3	169,683,680	162,367,739
Cost of sales		(114,959,680)	(106,027,766)
Gross profit		54,724,000	56,339,973
Administrative expenses		(47,496,775)	(55,252,838)
Operating profit		7,227,225	1,087,135
Operating profit comprises:			
EBITDA		19,474,093	23,568,627
Non-trading items	8	(1,036,415)	(4,564,102)
Depreciation	13	(1,177,071)	(1,239,386)
Amortisation of intangible assets	11	(8,371,733)	(9,373,232)
Share-Based Payment expense	22	-	(4,428,125)
Impairment of former related company		-	(537,247)
Amortisation of goodwill	10	(1,661,649)	(2,339,400)
Net finance cost	7	(82,462)	(2,324,996)
Profit/(loss) before taxation		7,144,763	(1,237,861)
Tax on profit/(loss)	9	(1,137,391)	(3,701,335)
Profit/(loss) after taxation		6,007,372	(4,939,196)
Profit/(loss) attributable to:			
Equity shareholder of the company		6,007,372	(4,939,196)

The accompanying notes form internal part of the financial statements.

All the results derive from the company's continuing operations.

There are no further recognised gains and losses other than the profit for the period displayed in the Profit and Loss and Other Comprehensive Income statement.

EBITDA is presented on the face of the profit and loss account as the directors believe that it is a key financial performance measure for the Company. EBITDA is defined as the operating profit before interest, taxation, depreciation, amortisation, impairment, Share-Based Payment expense (see note 22) and non-trading items (see note 8).

Project Bolt Newco 1 Limited

Consolidated balance sheet

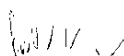
As at 31 December 2022

	Note	31 Dec 2022 £	31 Dec 2021 £
Fixed assets			
Goodwill	10	19,129,833	13,460,358
Intangible assets	11	48,398,102	50,991,051
Tangible assets	13	3,787,283	2,126,133
		<u>71,315,218</u>	<u>66,577,542</u>
Current assets			
Debtors (including £942,306 (2022) due after more than one year and £2,252,582 (2021))	15	28,603,411	27,676,030
Cash at bank and in hand		11,134,111	8,422,202
		<u>39,737,522</u>	<u>36,098,232</u>
Creditors: Amounts falling due within one year	16	<u>(23,981,945)</u>	<u>(59,854,345)</u>
Net current assets/(liabilities)		<u>15,755,577</u>	<u>(23,756,113)</u>
Total assets less current liabilities		<u>87,070,795</u>	<u>42,821,429</u>
Provisions for liabilities			
Deferred tax liability	9	(9,826,788)	(11,416,674)
Other provisions	18	(549,303)	(163,515)
Net assets		<u>76,694,704</u>	<u>31,241,240</u>
Capital reserves			
Called-up share capital	19	269	269
Share premium account		186,404,579	186,404,579
Other reserves		(180,495,113)	(180,495,113)
Capital contribution		39,446,092	-
Profit and loss account		31,338,877	25,331,505
Shareholders' funds		<u>76,694,704</u>	<u>31,241,240</u>

The accompanying notes form internal part of the financial statements.

The financial statements of Project Bolt Newco 1 Limited (registered number 12712655) were approved by the board of directors and authorised for issue on 25 July 2023.

They were signed on its behalf by:



David Williams
Director

Project Bolt Newco 1 Limited

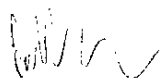
Company balance sheet As at 31 December 2022

	Note	31 Dec 2022 £	31 Dec 2021 £
Fixed assets			
Investments	14	241,615,748	202,169,668
		<u>241,615,748</u>	<u>202,169,668</u>
Current assets			
Debtors (including £nil (2022) due after more than one year and £261,546 (2021))	15	-	416,045
		<u>-</u>	<u>416,045</u>
Creditors: Amounts falling due within one year	16	(15,056)	(581,669)
Net current liabilities		<u>(15,056)</u>	<u>(165,624)</u>
Total assets less current liabilities		<u>241,600,692</u>	<u>202,004,044</u>
Creditors: Amounts falling due after more than one year	16	(62,218)	-
Net assets		<u>241,538,474</u>	<u>202,004,044</u>
Capital reserves			
Called-up share capital	19	269	269
Share premium account		186,404,579	186,404,579
Other reserves		(180,495,113)	(180,495,113)
Capital contribution		39,446,092	-
Profit and loss account		196,182,647	196,094,309
Shareholders' funds		<u>241,538,474</u>	<u>202,004,044</u>

The accompanying notes form internal part of the financial statements.

The financial statements of Project Bolt Newco 1 Limited (registered number 12712655) were approved by the board of directors and authorised for issue on 25 July 2023.

They were signed on its behalf by:



David Williams
Director

Project Bolt Newco 1 Limited

Consolidated statement of changes in equity As at 31 December 2022

Equity attributable to the equity shareholder of the Group

	Called-up share capital	Share premium account	Other reserves	Profit and loss account	Total
	£	£	£	£	£
At 1 January 2021	269	186,404,579	(180,495,113)	25,842,576	31,752,311
Total comprehensive income for the period					
Loss for the financial period	-	-	-	(4,939,196)	(4,939,196)
Transactions with owners recorded directly in equity					
Equity settled share based payment	-	-	-	4,428,125	4,428,125
31 December 2021	<u>269</u>	<u>186,404,579</u>	<u>(180,495,113)</u>	<u>25,331,505</u>	<u>31,241,240</u>
At 1 January 2022	269	186,404,579	(180,495,113)	25,331,505	31,241,240
Total comprehensive income for the year					
Profit for the financial year	-	-	-	6,007,372	6,007,372
Transactions with owners recorded directly in equity					
Capital contribution	-	-	39,446,092	-	39,446,092
31 December 2022	<u>269</u>	<u>186,404,579</u>	<u>(141,049,021)</u>	<u>31,338,877</u>	<u>76,694,704</u>

The accompanying notes form internal part of the financial statements.

Project Bolt Newco 1 Limited

Company statement of changes in equity

As at 31 December 2022

Equity attributable to the equity shareholder of the Company

	Called-up share capital	Share premium account	Other reserves	Profit and loss account	Total
	£	£	£	£	£
At 1 January 2021	269	186,404,579	(180,495,113)	185,015,435	190,925,170
Total comprehensive income for the period					
Profit for the financial period	-	-	-	6,650,749	6,650,749
Transactions with owners recorded directly in equity					
Equity settled share based payment	-	-	-	4,428,125	4,428,125
31 December 2021	<u>269</u>	<u>186,404,579</u>	<u>(180,495,113)</u>	<u>196,094,309</u>	<u>202,004,044</u>
At 1 January 2022	269	186,404,579	(180,495,113)	196,094,309	202,004,044
Total comprehensive income for the year					
Profit for the financial year	-	-	-	88,338	88,338
Transactions with owners recorded directly in equity					
Capital contribution			39,446,092		39,446,092
31 December 2022	<u>269</u>	<u>186,404,579</u>	<u>(141,049,021)</u>	<u>196,182,647</u>	<u>241,538,474</u>

The accompanying notes form internal part of the financial statements.

Project Bolt Newco 1 Limited

Consolidated cash flow statement For the year ended 31 December 2022

	Note	31 Dec 2022 £	31 Dec 2021 £
Cash flows from operating activities			
Profit/(loss) for the period		6,007,372	(4,939,196)
<i>Adjustments for:</i>			
Depreciation, amortisation and impairment	4	11,210,453	12,978,195
Interest payable and similar expenses	7	82,462	2,324,996
Share-based payment expense	22		4,428,125
Taxation	9	1,137,391	3,701,335
Increase in trade and other debtors		(890,478)	(486,138)
Decrease in trade and other creditors and provisions		(1,912,368)	(4,273,481)
Tax paid		(1,728,624)	-
Net cash flows from operating activities		13,906,208	13,733,836
Cash flows from investing activities			
Other Acquisitions - external asset customer list	11	(243,909)	(44,775)
Acquisition of tangible fixed assets	13	(2,832,359)	(825,751)
Capitalised development expenditure	11	(5,329,875)	(3,836,513)
Acquisition of subsidiary	10	(2,781,405)	-
Net cash flows used in investing activities		(11,187,548)	(4,707,039)
Cash flows from financing activities			
Loan repayment	16	-	(2,500,000)
Interest paid		(6,751)	(1,260,062)
Decrease in finance lease obligation	16	-	(18,570)
Net cash flows used in financing activities		(6,751)	(3,778,632)
Net increase in cash and cash equivalents		2,711,909	5,248,165
Cash and cash equivalents at start of period		8,422,202	3,174,037
Cash and cash equivalents at end of period		11,134,111	8,422,202

The accompanying notes form part of the financial statements.

Project Bolt Newco 1 Limited

Notes to the financial statements For the year ended 31 December 2022

1. Accounting policies

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

General information and basis of accounting

Project Bolt Newco 1 Limited (the "Company") is a private company incorporated, domiciled and registered in England in the United Kingdom. The registered number is 12712655 and the registered address is Ground Floor, RedCentral, 60 High Street, Redhill, Surrey, RH1 1SH. The nature of the Company's operations and its principal activities are set out in the Directors' report on page 5.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Project Bolt Newco 1 Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included;
- Key Management Personnel compensation has not been included a second time; and
- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings for the year ended 31 December 2022, with a comparative for the year 31 December 2021. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

Project Bolt Newco 1 Limited

Notes to the financial statements For the year ended 31 December 2022

1. Accounting policies (continued)

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Group had a cash balance of £12.4 million as at 12 June and has no external debt facilities. The Company is a wholly owned subsidiary within the GeoPost SA group (GeoPost). GeoPost provided the Group with a £12 million, 8 year loan in February 2023 in order to fund the acquisition of Mach 1 Couriers Limited.

The directors have performed an assessment of the going concern covering a period of at least 12 months from the date of approval of these financial statements in order to assess going concern. In doing so they have considered cash flow forecasts prepared for the period up to 31 December 2024.

The base forecast reflects the approved budget for the year ended 31 December 2023 updated for current trading as well as forecasts to 31 December 2024 using historic growth trajectories and expected costs. The directors have also considered a severe but plausible downside scenario which has a reduction in revenue and gross margin, partly offset by known and anticipated cost reductions. Under this scenario the group and company remain cash generative and in a positive net cash position.

Under both the base case and the severe but plausible downside case, the forecasts indicate that the group and company will have sufficient liquidity to continue to settle liabilities as they fall due for a period of at least 12 months from the date of the approval of the financial statements.

Consequently, the Directors believe it is appropriate to continue to prepare the financial statements on a going concern basis.

Impairment excluding deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Project Bolt Newco 1 Limited

Notes to the financial statements For the year ended 31 December 2022

1. Accounting policies (continued)

Non-financial assets

The carrying amounts of the entity's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss recognised for goodwill is not reversed. Impairment losses recognised for other assets is reversed only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the Group.

At the acquisition date, the Group recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

When the excess is negative, this is recognised and separately disclosed on the face of the balance sheet as negative goodwill.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

Project Bolt Newco 1 Limited

Notes to the financial statements For the year ended 31 December 2022

1. Accounting policies (continued)

Intangible assets – Goodwill

Goodwill is the difference between the fair value of consideration paid for an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities. Positive goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised on a straight-line basis over its useful economic life up to a maximum of 10 years. It is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Goodwill arising from management buyouts in 2016 is capitalised as an asset on the balance sheet and amortised on a straight-line basis over its useful life of 20 years. Management expects the Company's life to exceed 20 years but feel they could only reliably measure the value over the 20-year period.

Intangible assets – Customer relationships and brands

On acquisition the intangible assets acquired are identified and the fair value of the goodwill relating to customer relationships and brands are separately identified and capitalised and written off on a straight line basis over a useful economic life of not more than 15 years.

Amortisation is provided on all intangible fixed assets, at rates calculated to write off the cost based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life, as follows:

Customer lists	2 - 15 years
Brand	10 years
Software	3 - 4 years
Technology	4 - 6 years

Intangible assets – Technology research and development

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects and it is then assessed against the capitalisation criteria under FRS 102 and capitalised only if it meets the criteria. In such cases, the identifiable expenditure is capitalised as an intangible asset and amortised over the period during which the Group is expected to benefit, which useful life is reassessed annually. Provision is made for any impairment.

Tangible fixed assets

Tangible fixed assets are initially recorded at cost. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life, as follows:

Short leasehold improvements	over the lease term
Computer equipment	4 years
Fixtures and fittings	5 years
Other equipment	5 years
Mobile devices	5 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Project Bolt Newco 1 Limited

Notes to the financial statements For the year ended 31 December 2022

1. Accounting policies (continued)

Fixed asset investments

The investment in subsidiaries is stated at cost. The carrying value is reviewed for impairment when events or changes in circumstances indicate it may not be recoverable.

Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Financial instruments

In accordance with FRS 102.22, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the group; and
- where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

I. Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Project Bolt Newco 1 Limited

Notes to the financial statements For the year ended 31 December 2022

1. Accounting policies (continued)

Financial instruments (continued)

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognised in profit or loss. Other investments are measured at cost less impairment in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

II. Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment; and
- hedging instruments in a designated hedging relationship shall be recognised as set out below.

Derivative financial instruments and hedging

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

Taxation

Current tax, including UK Corporation tax and foreign tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Project Bolt Newco 1 Limited

Notes to the financial statements For the year ended 31 December 2022

1. Accounting policies (continued)

Taxation (continued)

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

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Leases

The Group as lessee

Assets held under finance leases which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives). The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the lease to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Employee benefits

The Group makes contributions to the personal pension plans of certain employees. Contributions to such schemes are charged in the profit and loss account as incurred.

Share-based payment transactions

Share-based payment arrangements in which the entity receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the entity.

Where the Company grants options over its own shares to the employees of its subsidiaries it recognises, in its individual financial statements, an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share-based payment charge recognised in its consolidated financial statements with the corresponding credit being recognised directly in equity. Amounts recharged to the subsidiary are recognised as a reduction in the cost of investment in subsidiary. If the amount recharged exceeds the increase in the cost of investment the excess is recognised as a dividend. When the cost of investment in subsidiary has been reduced to nil, the excess is recognised as a creditor.

Project Bolt Newco 1 Limited

Notes to the financial statements For the year ended 31 December 2022

1. Accounting policies (continued)

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate.

Revenue and revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services provided in the ordinary course of the Group's activities. Revenue is shown net of value added tax, trade discounts, rebates and other sales-related taxes. Revenue is recognised at the point when courier service is completed.

In making its judgement, management considered the detailed criteria for the recognition of revenue from the rendering of services set out in FRS 102 Section 23 Revenue.

Interest receivable and Interest payable

Interest payable and similar expenses include interest payable on borrowings and finance leases recognised in profit or loss using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, are expensed as incurred.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Project Bolt Newco 1 Limited

Notes to the financial statements For the year ended 31 December 2022

2. Critical accounting judgements and key sources of estimation uncertainty (continued)

Key source of critical accounting judgement - Capitalisation of development costs

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of a new or substantially improved products and processes, is capitalised provided benefits are probable, cost can be reliably measured and if the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development. The expenditure capitalised includes the cost of material, direct labour and directly attributable overheads. Other development expenditure is recognised in the income statement and expensed as incurred.

Key source of critical accounting judgement - EcoSpeed consideration

The Group is required to assess at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Group shall estimate the recoverable amount of the asset. If there is no indication of impairment, it is not necessary to estimate the recoverability of the amount. An impairment loss recognised for goodwill is not reversed. Impairment loss recognised for other assets is reversed only if the reasons for the impairment have ceased to apply.

Key source of estimation uncertainty - Recognition of deferred tax asset

The ability to use brought forward tax losses depends on future profitability in the Company with the losses and the tax regulations in the country. Management must assess the likelihood of being able to utilise the losses and so whether to recognise a deferred tax asset. Details of the deferred tax balances are set out in note 9.

Key source of critical accounting estimate - Useful economic life

Management makes an estimate on the expected useful lives of intangible assets and charge amortisation on these assets accordingly. Changes in accounting estimates are recognised prospectively in the profit and loss from the period of change by adjusting amortisation in the current and future periods. The period of amortisation is between 4-6 years. During the period a new 5-year development project kicked off and as a result the finite life of legacy intangible assets were extended from 4 years to 5 years, when they are expected to be obsolete. The amortisation charge reflects these changes.

Project Bolt Newco 1 Limited

Notes to the financial statements For the year ended 31 December 2022

3. Turnover

Turnover, which is stated net of value added tax, discounts and customer rebates represents amounts invoiced to third parties in respect of the Group's continuing activities.

All turnover is derived in the United Kingdom.

4. Profit/(loss) before taxation

	Year ended 31 Dec 2022 £	Year ended 31 Dec 2021 £
Profit/(loss) before taxation is stated after charging:		
Depreciation of owned tangible fixed assets	1,177,071	1,239,386
Amortisation of intangible fixed assets	8,371,733	9,373,232
Amortisation of goodwill	1,661,649	2,339,400
Impairment of former related company	-	537,247
Share-based payment expense	-	4,428,125
Operating lease rentals:		
- Other assets	2,455,662	3,080,077
- Plant and machinery	457,909	206,576
Loss on foreign currency transactions	3,646	87,991

The analysis of auditor's remuneration is as follows:

	Year ended 31 Dec 2022 £	Year ended 31 Dec 2021 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	36,171	33,455
Fees payable to the Company's auditor and their associates for other services to the Group:		
- The audit of the Company's subsidiaries pursuant to legislation	78,239	72,365
Total audit fees	114,410	105,820

Project Bolt Newco 1 Limited

Notes to the financial statements For the year ended 31 December 2022

5. Staff numbers and costs

	Group Year ended 31 Dec 2022 £	Group Year ended 31 Dec 2021 £
Staff costs during the period:		
Wages and salaries	26,160,388	21,493,000
Social security costs	2,694,298	2,181,382
Pension costs	791,652	560,246
Share based payment expense	-	4,428,125
	<u>29,646,338</u>	<u>28,662,753</u>

In addition to the above, £602,754 (Dec-21: £624,710) of payroll cost was capitalised within the technology additions in note 11.

	Group Year ended 31 Dec 2022 Number	Group Year ended 31 Dec 2021 Number
The average monthly number of employees employed during the period:		
London operations	79	82
Regional operations	393	356
Management and administration	247	205
Sales and marketing	76	74
	<u>795</u>	<u>717</u>

Project Bolt Newco 1 Limited

Notes to the financial statements

For the year ended 31 December 2022

6. Directors' remuneration and transactions

	Group Year ended 31 Dec 2022 £	Group Year ended 31 Dec 2021 £
Directors' remuneration:		
Emoluments	539,075	581,422
Company contributions to defined contribution pension schemes	12,036	10,950
	<u>551,111</u>	<u>592,372</u>
	Year ended 31 Dec 2022 Number	Year ended 31 Dec 2021 Number
The number of directors who are:		
Members of the defined contribution scheme	<u>4</u>	<u>2</u>
	Year ended 31 Dec 2022 £	Year ended 31 Dec 2021 £
Remuneration of the highest paid director:		
Emoluments	270,013	210,000
Company contributions to defined contribution pension schemes	35,192	6,000
	<u>305,205</u>	<u>216,000</u>

The directors believe that they, and they alone, are ultimately responsible for planning, directing and controlling the Company.

The directors' remuneration was paid by Project Bolt Newco 1 Limited.

Project Bolt Newco 1 Limited

Notes to the financial statements For the year ended 31 December 2022

7. Net finance cost

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
	£	£
Interest payable/(receivable) and similar expenses/(income)		
Interest payable on bank loans	71,786	1,944,538
Interest payable on shareholder loans	10,676	390,909
Finance lease interest	-	104
Interest on loans to related party	-	(10,555)
Net finance cost	82,462	2,324,996

8. Non-trading items

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
	£	£
Acquisition costs	2,010	3,144,741
Reorganisation costs	931,868	789,747
Digitalisation costs	158,668	445,415
Investor fees	(56,131)	184,199
	1,036,415	4,564,102

The Group separately identifies administrative expenses that are non-recurring or non-operating in nature. In the year ended 31 Dec 2022 these totalled £1.04 million (31 Dec 2021: £4.56 million) which primarily represents cost relating to reorganisation (31 Dec 2021: primarily represents cost relating to the acquisition of the Group by DPD).

Project Bolt Newco 1 Limited

Notes to the financial statements For the year ended 31 December 2022

9. Tax on profit/(loss)

The tax charge/(credit) comprises:

Group	Year ended 31 Dec 2022 £	Year ended 31 Dec 2021 £
Current tax on profit/(loss)		
UK Corporation tax	1,733,167	1,081,832
Adjustments in respect of prior year	(316,150)	142,449
Total current tax	1,417,017	1,224,281
Deferred tax		
Origination and reversal of timing differences	(36,606)	201,317
Adjustments in respect of prior period	116,011	(189,015)
Effect of change in tax rates	(359,031)	2,464,752
Total deferred tax	(279,626)	2,477,054
Tax on profit	1,137,391	3,701,335

The standard rate of tax applied to reported profit on ordinary activities is 19.00% (2021: 19.00%).

During the period beginning 1 January 2023, it is not expected that the deferred tax asset relating to capital allowances will reverse in the period.

The differences between the total tax (credit)/charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit/(loss) before tax is as follows:

Project Bolt Newco 1 Limited

Notes to the financial statements

For the year ended 31 December 2022

9. Tax on profit/(loss) (continued)

	Year ended 31 Dec 2022 £	Year ended 31 Dec 2021 £
Group profit/(loss) before tax	7,144,763	(1,237,861)
Tax on Group profit/(loss) at standard UK corporation tax rate of 19.00% (2021: 19.00%)	1,357,505	(235,194)
Effects of:		
Expenses not deductible for tax purposes	508,151	416,578
Income not taxable	-	(72,050)
Adjustment to tax charge in respect of prior year	(200,139)	(46,566)
Deferred tax not previously recognised on losses	(169,095)	1,173,815
Effect of change in tax rates	(359,031)	2,464,752
Group total tax charge	1,137,391	3,701,335

Deferred tax asset/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities		Net	
	Year ended 31 Dec 2022 £	Year ended 31 Dec 2021 £	Year ended 31 Dec 2022 £	Year ended 31 Dec 2021 £	Year ended 31 Dec 2022 £	Year ended 31 Dec 2021 £
Accelerated capital allowances	909,536	1,037,440	-	-	909,536	1,037,440
Arising on business combinations	-	-	(9,825,527)	(11,404,335)	(9,825,527)	(11,404,335)
Short term timing differences	32,770	1,215,126	(1,261)	(12,339)	31,509	1,202,787
Net tax assets/(liabilities)	942,306	2,252,566	(9,826,788)	(11,416,674)	(8,884,482)	(9,164,108)

Project Bolt Newco 1 Limited

Notes to the financial statements For the year ended 31 December 2022

9. Tax on profit/(loss) (continued)

Deferred tax asset/(liabilities) (continued)

Group	Deferred Tax £
Balance at 1 January 2022	(9,164,108)
Charge to the profit and loss account	(79,405)
Effect of change in tax rates	359,031
Balance at 31 December 2022	<u>(8,884,482)</u>

Deferred tax assets and liabilities are offset only where the Group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the Group.

Factors that may affect future tax charge

In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. The deferred tax has been calculated at 25%.

Project Bolt Newco 1 Limited

Notes to the financial statements For the year ended 31 December 2022

10. Goodwill

Group	Total £
Cost	
At 1 January 2022	97,732,140
Acquisitions through business combinations	7,331,124
	<hr/>
31 December 2022	105,063,264
	<hr/>
Accumulated Amortisation and impairment	
At 1 January 2022	84,271,782
Charge for the period	1,661,649
	<hr/>
31 December 2022	85,933,431
	<hr/>
Net book value	
31 December 2022	19,129,833
	<hr/>
31 December 2021	13,460,358
	<hr/>

Project Bolt Newco 1 Limited

Notes to the financial statements For the year ended 31 December 2022

11. Intangible fixed assets

Group	Technology	Customer Relationships	Software	Brand	Total
	£	£	£	£	£
Cost					
At 1 January 2022	35,646,691	63,637,407	689,557	25,700,000	125,673,655
Other Acquisitions - external asset customer list		-	-	448,909	448,909
Other acquisitions - internally developed	5,329,875	-	-	-	5,329,875
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
31 December 2022	<u>40,976,566</u>	<u>63,637,407</u>	<u>689,557</u>	<u>26,148,909</u>	<u>131,452,439</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Accumulated Amortisation and impairment					
At 1 January 2022	29,352,143	29,649,238	689,557	14,991,666	74,682,604
Charge for the period	1,743,789	4,008,065	-	2,619,879	8,371,733
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
31 December 2022	<u>31,095,932</u>	<u>33,657,303</u>	<u>689,557</u>	<u>17,611,545</u>	<u>83,054,337</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value					
31 December 2022	<u>9,880,634</u>	<u>29,980,104</u>	<u>-</u>	<u>8,537,364</u>	<u>48,398,102</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
31 December 2021	<u>6,294,548</u>	<u>33,988,169</u>	<u>-</u>	<u>10,708,334</u>	<u>50,991,051</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

During the period a new 5-year development project kicked off and as a result the finite life of legacy intangible assets were extended from 3 years to 5 years, when they are expected to be obsolete. The amortisation charge reflects these changes.

Project Bolt Newco 1 Limited

Notes to the financial statements

For the year ended 31 December 2022

12. Business combinations

The Group acquired 100% shares of Urgent Deliveries t/a EcoSpeed Limited and purchased the assets of Astral Courier Limited during the period for a total consideration for £9,773k please see note 10 and 11, of which £4,909k has been deferred and is payable based upon future revenue targets and is included within other creditors due within one year. The most significant acquisition was Urgent deliveries t/a EcoSpeed Limited. The business contributed revenue of £4.7 million and net profit of £167k to the revenue and net profit for the year.

Acquiree's net assets at the acquisition date:

	£ '000
Tangible assets	6
Trade and other debtors	1,954
Cash	1,232
Trade and other creditors	(1,199)
	<hr/>
Net identifiable assets and liabilities	1,993

Total cost of business combination:

Consideration paid:	
Initial cash price paid	4,080
Interest-bearing loans and borrowings	607
Contingent consideration expected to be paid dependent on the future performance of the business	4,909
Costs directly attributable to the business combination	177
	<hr/>
Total consideration	9,773
	<hr/>
Goodwill on acquisition	7,780
	<hr/>

The expected useful life of goodwill stemming from this acquisition is 10 years.
Post-acquisition there were no fair value adjustments.

Acquisitions in prior period

The Group made no acquisition in the year to 31 December 2021.

Project Bolt Newco 1 Limited

Notes to the financial statements For the year ended 31 December 2022

13. Tangible fixed assets

Group	Short leasehold improvements	Computer equipment	Fixtures and fittings	Other equipment	Mobile devices	Total
	£	£	£	£	£	£
Cost						
At 1 January 2022	1,677,288	10,959,205	934,122	1,665,011	1,587,386	16,823,012
Additions	883,003	550,473	114,098	1,290,647	-	2,838,221
Disposals	(866,171)	-	(584,574)	(548,910)	(1,587,386)	(3,587,041)
31 December 2022	1,694,120	11,509,678	463,646	2,406,748	-	16,074,192
Accumulated depreciation						
At 1 January 2022	1,032,991	9,986,810	744,034	1,345,658	1,587,386	14,696,879
Charge for the period	323,070	557,810	104,599	191,592	-	1,177,071
Eliminated on disposal	(866,171)	-	(584,574)	(548,910)	(1,587,386)	(3,587,041)
31 December 2022	489,890	10,544,620	264,059	988,340	-	12,286,909
Net book value						
31 December 2022	1,204,230	965,058	199,587	1,418,408	-	3,787,283
31 December 2021	644,297	972,395	190,088	319,353	-	2,126,133

The remaining life of the largest asset within Customer list is 10 years and Brand 5 years.

Capitalised development costs are not treated as a realised loss for the purpose of determining the Company's distributable profits as the costs meet the conditions requiring them to be treated as an asset in accordance with FRS 102 Section 18.

Project Bolt Newco 1 Limited

Notes to the financial statements For the year ended 31 December 2022

14. Investments

Company	Subsidiary undertakings
	£
At 31 Dec 2021	202,169,668
Additions	39,446,080
	<hr/>
At 31 Dec 2022	241,615,748
	<hr/>

The additions arose as follows:

- As part of the acquisition by DPD group Limited a Term Loan A of £10.0 million (Dec-21: £10.0 million), Term Loan B of £25.0 million (Dec-21: £25.0 million) and Shareholder loans due of £2,500,000 and accrued interest were paid off on behalf of CitySprint Group by DPD group Limited.
- During the current period, the resulting intercompany loans were formerly written off and reclassified as capital contributions.

Project Bolt Newco 1 Limited

Notes to the financial statements

For the year ended 31 December 2022

14. Investments (continued)

The following subsidiary undertakings are exempt from the Companies Act 2006 requirements relating to the audit of their individual accounts by virtue of Section 479A of the Act as this company has guaranteed the subsidiary company under Section 479C of the Act. Project Bolt Newco 2 Limited registration number 12716727, CitySprint (UK) Bidco Limited registration number 09988809, The Courier and Passenger Transport Group Limited registration number 04327694, The Courier and Passenger Transport Holdings Limited registration number 06277898, CitySprint (UK) Group Limited registration number 07419353, Last Mile Link Technologies Limited registration number 10717518 and Transworld Global Courier Limited registration number 10724495, On The Dot Technologies Limited registration number 09463250, CitySprint Courier Services Limited registration number 05857552 and Urgent Deliveries Limited registration number 05654473.

Details of the investments in which the Company holds at least 100% of the nominal value of any class of share capital all of which are included within the consolidated results of the Group are as follows:

Subsidiary undertakings

Name of Company	Holding	%	Principal activity	Country of incorporation
Held by the Company				
Project Bolt Newco 2 Limited	Ordinary shares	100%	Holding Company	UK
Held by subsidiary undertakings				
CitySprint (UK) Bidco Limited	Ordinary shares	100%	Holding Company	UK
CitySprint (UK) Limited	Ordinary shares	100%	Courier services	UK
On the Dot Technologies Limited	Ordinary shares	100%	IT Development	UK
CitySprint Courier Services Limited	Ordinary shares	100%	Courier Services	UK
The Courier and Passenger Transport Group Limited	Ordinary shares	100%	Holding Company	UK
The Courier and Passenger Transport Holdings Limited	Ordinary shares	100%	Holding Company	UK
CitySprint (UK) Group Limited	Ordinary shares	100%	Holding Company	UK
Last Mile Link Technologies Limited	Ordinary Shares	100%	Holding Company	UK
Transworld Global Courier Limited	Ordinary Shares	100%	Courier services	UK
Urgent Deliveries Limited	Ordinary Shares	100%	Courier services	UK

The registered address for all the above-named subsidiaries is RedCentral, 60 High Street, Redhill, Surrey, RH1 1SH.

Project Bolt Newco 1 Limited

Notes to the financial statements

For the year ended 31 December 2022

15. Debtors

	Group	Company	Group	Company
	31 Dec 2022	31 Dec 2022	31 Dec 2021	31 Dec 2021
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	23,844,218	-	21,421,453	-
Prepayments	3,143,874	-	2,314,948	154,499
Accrued income	345,217	-	163,318	-
Other debtors	322,141	-	938,718	-
Receivables finance facility	5,655	-	585,011	-
	<u>27,661,105</u>	<u>-</u>	<u>25,423,448</u>	<u>154,499</u>
Amounts falling due after more than one year:				
Amounts due from former related company	-	-	16	16
Amounts due from subsidiary undertakings	-	-	-	261,530
Deferred tax	942,306	-	2,252,566	-
	<u>942,306</u>	<u>-</u>	<u>2,252,582</u>	<u>261,546</u>
Total debtors	<u><u>28,603,411</u></u>	<u><u>-</u></u>	<u><u>27,676,030</u></u>	<u><u>416,045</u></u>

Based upon their projections of the Group's future profitability, the directors are satisfied that sufficient profits will arise in the future to allow full recovery of the deferred tax asset.

Amounts due to parent and subsidiary undertakings are charged at an interest rate of 3.48%. The intercompany loan balance due will not be called upon within 12 months.

**Project Bolt Newco 1
Limited**

**Notes to the financial statements
For the year ended 31 December 2022**

16. Creditors

	Group	Company	Group	Company
	31 Dec 2022	31 Dec 2022	31 Dec 2021	31 Dec 2021
	£	£	£	£
Amounts falling due within one year:				
Bank loans	-	-	35,000,000	-
Trade creditors	9,927,517	1,400	8,060,707	432,395
Other taxation and social security	3,646,238	13,656	4,401,199	22,660
Shareholder loans and accrued interest	-	-	2,952,962	-
Other creditors	4,896,408	-	-	-
Corporation Tax	1,101,228	-	1,095,582	126,614
Accruals	4,410,554	-	8,343,895	-
	<u>23,981,945</u>	<u>15,056</u>	<u>59,854,345</u>	<u>581,669</u>

	Group	Company	Group	Company
	31 Dec 2022	31 Dec 2022	31 Dec 2021	31 Dec 2021
	£	£	£	£
Amounts falling after more than one year:				
Amounts due to subsidiary undertaking	-	62,218	-	-
	<u>-</u>	<u>62,218</u>	<u>-</u>	<u>-</u>

Bank loans and shareholder loans

	Group	Company	Group	Company
	31 Dec 2022	31 Dec 2022	31 Dec 2021	31 Dec 2021
	£	£	£	£
Wholly repayable in less than one year:				
Bank loans	-	-	35,000,000	-
Shareholder loans and accrued interest	-	-	2,952,962	-
	<u>-</u>	<u>-</u>	<u>37,952,962</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>37,952,962</u>	<u>-</u>

Project Bolt Newco 1 Limited

Notes to the financial statements For the year ended 31 December 2022

16. Creditors (continued)

As part of the purchase agreement, DPDgroup UK Limited repaid in full the Group's shareholder loans and Term Loans, including interest accrued up to the completion date of 11 January 2022. In addition, the undrawn receivables finance facility was closed as of the completion date.

Borrowings are repayable as follows:

	Group	Group
	31 Dec 2022	31 Dec 2021
	£	£
Total borrowings including finance leases		
On demand or within one year	-	37,952,962
	<hr/>	<hr/>
	-	37,952,962
	<hr/>	<hr/>

Amounts due to parent and subsidiary undertakings are charged at an interest rate of 3.48%. The intercompany loan balance due will not be called upon within the next 12 months.

The Group had a £20.0 million receivables finance facility with its banks which was closed in January 2022 as part of the DPD Group acquisition. As at 31 December 2021 the facility was available for a minimum period of one years. There was no draw down on this facility during the year (Dec 2021: £nil). Interest on the receivables finance facility is charged at 1.75% over LIBOR.

All of the above facilities were secured by a fixed and floating charge over the assets of the Company and fellow group undertakings.

Project Bolt Newco 1 Limited

Notes to the financial statements For the year ended 31 December 2022

17. Financial instruments

The carrying values of the Group and Company's financial assets and liabilities are summarised by category below:

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	£	£	£	£
Financial assets				
Measured at cost less impairment				
• Trade debtors (see note 15)	23,844,218	21,421,453	-	-
• Other debtors (see note 15)	66,324	59,848	-	-
• Accrued income (see note 15)	345,217	163,318	-	-
• Receivables finance facility (see note 15)	5,655	585,011	-	-
Measured at amortised cost				
• Amounts due from subsidiary undertakings	-	-	-	261,530
• Amounts due from related company	-	16	-	16
	<u>24,261,414</u>	<u>22,229,646</u>	<u>-</u>	<u>261,546</u>

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	£	£	£	£
Financial liabilities				
Measured at amortised cost				
• Bank loans (see note 16)	-	35,000,000	-	-
• Loans payable (see note 16)	-	2,952,962	-	-
Measured at cost less impairment				
• Trade creditors (see note 16)	9,927,517	8,060,707	1,400	432,395
• Accruals (see note 16)	4,410,554	8,343,895	-	-
• Amounts due to subsidiary undertakings	-	-	62,218	-
	<u>14,338,071</u>	<u>54,357,564</u>	<u>63,618</u>	<u>432,395</u>

Project Bolt Newco 1 Limited

Notes to the financial statements For the year ended 31 December 2022

17. Financial instruments (continued)

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	£	£	£	£
Finance income and expense				
Total interest expense for financial liabilities at amortised cost	(82,462)	(2,324,996)	(3,036)	7,073,334

Net debt

The below is an analysis of changes in net debt of the Group from the beginning to the end of the current reporting period:

	31 Dec 2021	Cashflow	Other non-cash movements	31 Dec 2022
	£	£	£	£
Net cash and cash equivalents				
Cash at bank	8,422,202	2,711,909	-	11,134,111
	8,422,202	2,711,909	-	11,134,111
Borrowings				
Debt due within one year	(37,952,962)	-	37,952,962	-
Debt due after one year	-	-	-	-
	(37,952,962)	-	37,952,962	-
Total	(29,530,760)	2,711,909	37,952,962	11,134,111

Project Bolt Newco 1 Limited

Notes to the financial statements For the year ended 31 December 2022

18. Other provisions

	Restructuring provision	Total
	£	£
Balance at 1 January 2022	163,515	163,515
Provisions used during the year	(163,515)	(163,515)
Provisions made during the year	549,303	549,303
	<hr/>	<hr/>
Balance at 31 December 2022	549,303	549,303
	<hr/> <hr/>	<hr/> <hr/>

In the period the Company recorded provisions for operating restructuring expected service claims. These costs will be fully paid within the next period.

19. Called up share capital and reserves

		31 Dec 2022 £
Allotted, called up and fully paid:		
4,990,000 (2021: 4,990,000)	Ordinary A1 shares of £0.0000150 each	75
350,000 (2021: 350,000)	Ordinary A2 shares of £0.0000010 each	-
4,000,000 (2021: 4,000,000)	Ordinary A3 shares of £0.0000010 each	4
2,505,000 (2021: 2,505,000)	Ordinary B1 shares of £0.0000400 each	100
2,223,188 (2021: 2,223,188)	Ordinary B2 shares of £0.0000400 each	89
3,000,000 (2021: 3,000,000)	Ordinary C shares of £0.0000001 each	-
1 (2021: 1)	Ordinary shares of £1 each	1
		<hr/>
		269
		<hr/> <hr/>
Unallotted:		
Nil (2021: 281,813)	Ordinary B2 shares of £0.0000400	-

The holders of the A1, B1 and B2 shares are entitled to one vote per share at meetings of the Company.

Project Bolt Newco 1 Limited

Notes to the financial statements

For the year ended 31 December 2022

20. Financial commitments

At 31 December 2022, the Group had total future minimum lease payments under non-cancellable operating as follows.

Group	31 Dec 2022 Land and buildings £	31 Dec 2022 Other equipment £	31 Dec 2021 Land and buildings £	31 Dec 2021 Other equipment £
Operating leases which expire:				
Within one year	2,046,103	426,207	1,844,180	223,078
Between two and five years	4,309,104	434,678	2,773,848	328,816
Over five years	-	-	21,058	-
	<u>6,355,207</u>	<u>860,885</u>	<u>4,639,086</u>	<u>551,894</u>

The Company has contracted but not provided for capital expenditure of £1,506,837 (Dec-21: £1,966,380) to be incurred in the next accounting period.

During the period £2,913,571 (Dec-21: £3,374,644) was recognised as an expense in the profit and loss in respect of operating leases.

21. Related party transactions

CitySprint (UK) Limited had related party transactions of £2,470,128 (Dec-21: £294,043) representing turnover and £455,314 (Dec-21: £166) representing overheads in connection with our parent DPDGroup (UK) Limited and BioCare Limited. Of the amount stated £477,596 (Dec-21: £181,175) was outstanding in trade debtors and £230,467 (Dec-21: £nil) was outstanding in trade creditors at the period end.

CitySprint (UK) Limited had also related party transactions of £64,284 (Dec-21: £451,324) representing turnover and £nil (Dec-21: £nil) representing overheads in connection with its private equity shareholders until the DPD Group acquisition in January 2022. Of the amount stated £28,382 (Dec-21: £73,812) was outstanding in trade debtors and £nil (Dec-21: £nil) was outstanding in trade creditors at the period end.

	Note	31 Dec 2022	31 Dec 2021
Intercompany related party			
Amounts due (to)/from former Group	15	-	16
Interest charged (to)/from former Group	7	-	10,555
Related party transactions (to)/from former Group		-	39,426

Project Bolt Newco 1 Limited

Notes to the financial statements

For the year ended 31 December 2022

Related party transactions (continued)

Directors' transactions

There were no transactions between the Company and its directors other than those stated in the director's remuneration note 6.

Other related party transactions

There were no transactions between the Company and its senior managers other than those stated in the staff costs note 5.

22. Employee benefits

In the prior period, on 17 September 2021, Project Bolt Newco 1 Limited granted to employees (excluding the directors) of CitySprint (UK) Limited the option to acquire shares in the capital of the Company, by offering Share Options over its' B2 ordinary shares.

Only employees who were employed by CitySprint (UK) Limited as of the 31 August 2021 were offered the option to acquire the shares.

In the share option agreement (SOA) section 2 the company grants the employee to acquire a set amount of shares which is conditional upon the Company's share sale to DPDGroup UK Limited.

The share-based payments are also subject to vesting conditions which are set out as follows in the share option agreement:

- i. The Options are exercisable immediately prior to a Share Sale of Project Bolt Newco 1 Limited. If a Share Sale does not occur and the SPA is terminated, the Options will lapse,
- ii. The employee is still employed, and termination of their employment has not been received or given,
- iii. The employee is not currently in or being investigated for disciplinary.

281,814 B2 share options were granted on 17 September at £0.0000400 for a total value of £4,428,125.07

The fair value of the equity share-based payments was measured by using the SPA for the sale to DPDGroup UK Limited, which had been signed prior to the grant date. B2 ordinary share capital granted as share options at £4,428,125.07 is considered by management to be the fair value of the share options granted.

Defined contribution scheme

The Group operates a defined contribution pension scheme whose assets are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company and amounted to £518,950 (Dec-21: £493,422). Contributions totalling £139,447 (Dec-21: £123,114) were payable to the fund at the period end and are included in creditors.

Project Bolt Newco 1 Limited

Notes to the financial statements

For the year ended 31 December 2022

23. Cross guarantees

The Company is part of a VAT group and therefore as a whole the Group has a liability for the VAT creditor at the end of the year in a fellow subsidiary of £2,623,999 (Dec-21: £3,702,421). This balance has been recorded on the consolidated balance sheet at period end as creditors.

24. Ultimate parent undertaking and controlling party

The immediate parent undertaking is DPDGroup (UK) Limited.

The largest group in which the results of the Company and its Group are consolidated is that headed by La Poste, 9 rue du Colonel Pierre Avia, 75015, Paris, France. The consolidated financial statements of these groups are available to the public and may be obtained from the registered offices as follows: La Poste, 9 rue du Colonel Pierre Avia, 75015, Paris, France.

25. Subsequent events

On 22 February 2023 DPDgroup announced the acquisition of Absolutely couriers by CitySprint. The enterprise value of the transaction was £12 million, which was funded by a £12 million, eight-year loan from GeoPost.

Established in 1865, Absolutely operates across London and the South East, with a fleet of circa 200 couriers servicing more than 2,500 clients.