

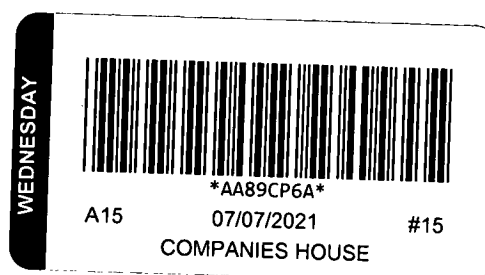
Registered Number 10129237

Clicklink Logistics Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 January 2021



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Clicklink Logistics Limited

COMPANY INFORMATION

Directors

R Ball

D A Hodkin

G Keogh-Peters

A G Mannix

K Papakonstantinou

M Robinson

Company Secretary

M Hodgkiss

Registered Office

Clipper Logistics Group

Gelderd Road

Leeds

LS12 6LT

Auditor

RSM UK Audit LLP

Chartered Accountants

Central Square

5th Floor

29 Wellington Street

Leeds

LS1 4DL

Clicklink Logistics Limited

STRATEGIC REPORT

For the year ended 31 January 2021

Principal activities

The company provides services in respect of the sortation, fulfilment and delivery of one-man orders to "click and collect" customer collection points and retail stores in the United Kingdom.

Business review

The trading results for the year and the company's financial position at the year-end are shown in the attached financial statements.

The principal measures for assessing performance are:

- Revenue
- Operating profit
- Profit before tax; and
- Net assets.

Revenue for the year ended 31 January 2021 was £26,131,000 (2020: £27,315,000). Operating profit was £1,800,000 (2020: £42,000) and profit before tax for the year was £1,666,000 (2020: loss of £83,000). Net assets at 31 January 2021 were £2,789,000 (2020: £1,465,000).

The retail sector has been impacted heavily by the COVID-19 global pandemic, which has resulted in store closures for many of Clicklink customers; on the flip side we have seen more buoyant volumes through the Waitrose network, having added Sweaty Betty to the Waitrose Collect opportunity, which has driven more volumes through this proposition. During the lockdown periods we were able to mitigate a significant amount of cost; pooling the majority of the sortation into the single hub at Northampton, allowing Clipper Logistics to utilise stranded resource to support the distribution of PPE on behalf of the NHS. In addition, we have moved all of our clients on to volume adjusted rate mechanisms, which has reduced the potential for financial exposure against significant volume shortfalls.

All of these measures have produced a very solid financial performance for the year. As the impact of COVID-19 is likely to continue well into the year ending 31 January 2022, we are maintaining our approach towards cost mitigation, as well as providing additional resources to Clipper to assist with the NHS contract where the resources are available. In collaboration with John Lewis and Waitrose we are pushing heavily with the Waitrose Collect proposition, as there are now considerably less constraints regarding acceptable brands, and with the capacity issues amongst the carrier network seen through the peak trading period, a need for alternatives to Home Delivery. With the system completion for the Clicklink Collect proposition scheduled in the first quarter of the new financial year, we will also be working with our retail clients to provide collection points in their store locations.

Principal risks and uncertainties

The management of the business and the nature of the company's strategy are subject to a number of risks. The directors have set out below the principal risks facing the business.

The directors are of the opinion that a thorough risk management process is adopted, which involves the formal review of all the risks identified below. Where possible processes are in place to monitor and mitigate such risks.

The principal risks have evolved since the year ended 31 January 2020 given the unprecedented change experienced across the external environment due to COVID-19. COVID-19 continues to be the most significant external risk currently facing Clicklink, impacting our customers, supply chain and their store operation.

High proportion of fixed overheads and variable revenues

A large proportion of the company's overheads are fixed. There is a risk that any significant changes in revenue may lead to the inability to fully cover such costs.

Management closely monitor fixed overheads against budget on a monthly basis and cost saving exercises are implemented if there is any anticipated decline in revenues.

Competition

The market in which the company operates is highly competitive. Policies of constant price monitoring and on-going market research are in place to mitigate the risks.

Financial risk management objectives and policies

The company uses financial instruments, comprising borrowings, cash and other liquid resources and various other items such as trade debtors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The main risks arising from the company's financial instruments are interest rate risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Interest rate risk

The company is mainly financing its operations through shareholder loans on which interest is charged at a market rate as disclosed in note 13. The Directors continually monitor interest rates to ensure that interest is accurately reflected in cashflow and operating forecasts in order to ensure costs are met as they fall due. It is not currently considered necessary to use any derivatives to mitigate the company's exposure to interest rate fluctuations on its borrowings.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest any cash assets safely and profitably.

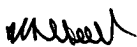
Future developments

Having successfully established the company's business model, management's focus is now on attracting further customer activity into the network. The directors anticipate continued growth during the forthcoming year and the consolidation of a strong market position.

COVID-19

The ongoing COVID-19 pandemic continues to affect the business, with major customers continuing to remain closed as a direct consequence of UK government measures. As mentioned above, the company continues to assess the impact of such measures on the business as well as on customers. The company has maintained a cost mitigation approach by redeploying staff and resources where required, thus allowing the company to protect margins and profitability.

On behalf of the Board



D A Hodkin

Director

20 May 2021

Clicklink Logistics Limited

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the company for the year ended 31 January 2021.

Directors

The directors who held office during the year, are as follows:

R Ball

D A Hodkin

G Keogh-Peters

A G Mannix

M Robinson (appointed 3 February 2020)

K Papakonstantinou (appointed 1 June 2020)

B Michel (resigned 12 May 2020)

Results and dividends

The profit for the financial year was £1,324,000 (2020: loss of £76,000).

The directors do not recommend any dividend for the year (2020: £nil).

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Further details are set out in note 1.2 to the financial statements.

Third party indemnity provision for Directors

Qualifying third party indemnity provision is in place for the benefit of all directors of the company.

Statement as to disclosure of information to the auditor

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Political contributions.

The company made no political donations or incurred any political expenditure during the year (2020: £nil).

Charitable donations

During the period the company made no charitable donations (2020: £nil).

Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

By order of the board



M Hodgkiss

Company Secretary

20 May 2021

Clicklink Logistics Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLICKLINK LOGISTICS LIMITED

Opinion

We have audited the financial statements of Clicklink Logistics Limited (the 'company') for the year ended 31 January 2021 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLICKLINK LOGISTICS LIMITED

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

- We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLICKLINK LOGISTICS LIMITED

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

There are no significant laws and regulations that have an indirect impact on the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLICKLINK LOGISTICS LIMITED

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates applied.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

ANDREW ALLCHIN FCA (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Central Square 5th Floor

29 Wellington Street

Leeds

LS1 4DL

26 May 2021

Clicklink Logistics Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 January 2021

	Note	2021 £000	2020 £000
Turnover	2	26,131	27,315
Cost of sales		(19,992)	(22,746)
Gross profit		6,139	4,569
Administrative expenses		(4,339)	(4,527)
Operating profit	3	1,800	42
Interest receivable		1	1
Interest payable and similar charges	6	(135)	(126)
Profit/(loss) before taxation		1,666	(83)
Tax on profit/(loss)	7	(342)	7
Profit/(loss) for the financial period		1,324	(76)

All of the above activities of the company relate to continuing operations.

The company has no items of other comprehensive income other than those included in the profits above and therefore no separate statement of other comprehensive income has been presented.

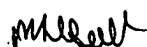
The accompanying notes form part of these financial statements.

Clicklink Logistics Limited
BALANCE SHEET
at 31 January 2021

Registered number 10129237

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Tangible assets	8		3,180		3,694
Intangible assets	9		384		399
			3,564		4,093
Current assets					
Stock	10	63		63	
Debtors	11	3,316		3,479	
Cash at bank and in hand		5,139		2,580	
			8,518		6,122
Creditors - amounts falling due within one year	12		(5,218)		(4,690)
Net current assets			3,300		1,432
Total assets less current liabilities			6,864		5,525
Creditors – amounts falling due after more than one year	13		(3,900)		(3,900)
Provisions for liabilities	14		(175)		(160)
Net assets			2,789		1,465
Capital and reserves					
Called up share capital	15		2,000		2,000
Share premium			1,900		1,900
Profit and loss account			(1,111)		(2,435)
Equity shareholders' funds			2,789		1,465

The accompanying notes form part of these financial statements.



D A Hodkin
Director
20 May 2021

Clicklink Logistics Limited
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 January 2021

	Share capital	Share premium	Profit and loss account	Total
	£000	£000	£000	£000
Balance at 31 January 2019	2,000	1,900	(2,359)	1,541
Loss for the year	-	-	(76)	(76)
Balance at 31 January 2020	2,000	1,900	(2,435)	1,465
Profit for the year	-	-	1,324	1,324
Balance at 31 January 2021	2,000	1,900	(1,111)	2,789

The accompanying notes form part of these financial statements.

Clicklink Logistics Limited
CASH FLOW STATEMENT
for the year ended 31 January 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Profit/(loss) before tax		1,666	(83)
<i>Adjustments to reconcile profit/(loss) before tax to net cash</i>			
Loss on disposal of fixed assets		63	-
Depreciation, amortisation and impairment	8, 9	881	819
Net finance costs		134	125
<i>Working capital adjustments:</i>			
Decrease in trade and other debtors		111	725
(Increase) in stocks		-	(1)
Increase/(decrease) in trade and other creditors		253	(921)
Cash generated from operations		3,108	664
Interest received		1	1
Interest paid		(135)	(126)
Taxation received		-	338
Net cash flows from operating activities		2,974	877
Cash flows from investing activities			
Purchase of tangible fixed assets	8	(240)	(343)
Purchase of intangible fixed assets	9	(175)	(220)
Net cash flows from investing activities		(415)	(563)
Cash flows from financing activities			
Loans advanced		-	-
Net cash flows from financing activities		-	-
Net increase in cash & cash equivalents		2,559	314
Cash & cash equivalents brought forward		2,580	2,266
Cash & cash equivalents at 31 January		5,139	2,580

The accompanying notes form part of these financial statements.

1 Accounting Policies

Clicklink Logistics Limited is incorporated and domiciled in the United Kingdom and registered in England and Wales. The registered number is 10129237 and the registered address is Clipper Logistics Group, Gelderd Road, Leeds, LS12 6LT.

1.1. Basis of preparation

The financial statements of Clicklink Logistics Limited have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ('FRS 102') and the Companies Act 2006.

These financial statements are prepared under the historical cost convention.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 January 2021. The financial statements are prepared in Pounds Sterling and are rounded to the nearest thousand pounds (£000) except where otherwise indicated.

The company's business activities, together with the factors likely to affect its future development and position, are set out in the strategic report on pages 2 to 3.

1.2. Going concern

As at 31 January 2021, the company is in a net current asset position. The company has also made significant profits for the year.

The company extended the loan facility made available to it by its shareholders for a further three years in the prior year (see note 13).

The directors have prepared a working capital forecast using assumptions as to future trading. The ongoing impact of the COVID-19 pandemic has been considered by the directors and reflected in the forecast assumption. On the basis of their assessment of the company's financial position, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3. 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, 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 interest for a similar debt instrument.

1 Accounting Policies (continued)

1.3. Basic 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

1.4. Tangible assets

The cost of tangible assets is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of tangible assets, less their estimated residual value, on a straight-line basis over their estimated economic lives. The estimated economic lives used for this purpose are:

Plant & equipment	3 – 10 years
Computer hardware	3 – 5 years
Fixtures & fittings	4 – 10 years

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

1.5. Intangible assets – computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (three to five years).

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the company, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs include the software development employee costs and overheads directly attributable to bringing the asset in to use.

Computer software development costs recognised as assets are amortised over their estimated useful lives (not exceeding five years).

1.6. Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks and other costs in bringing them to their existing location and condition. Provisions are made for obsolete and slow-moving items.

1.7. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

1 Accounting Policies (continued)

1.8. Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the period, exclusive of Value Added Tax. Revenue and profits are recognised when the service is provided.

1.9. Employee benefits

The company sub-contracts a number of staff from Clipper Logistics plc, a related party. Contributions to pension plans and other long-term benefits on behalf of those staff are included within the charges levied by Clipper Logistics plc. The company employs no staff.

1.10. Provisions

A provision is recognised in the balance sheet when the company 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 resources 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.

1.11. Leases

Leasing agreements and hire purchase contracts which transfer to the company substantially all the benefits and risks of ownership of an asset ("finance leases") are treated as if the asset had been purchased outright. The company has not yet entered into any finance leases.

All other leases are treated as operating leases, the costs of which are charged on a straight-line basis over the lease term.

1.12. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax is provided in full on timing differences that 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 laws. Deferred tax assets are only recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities recognised have not been discounted.

1.13. Key accounting estimates and assumption

Preparation of the financial statements requires the company to make significant estimates and judgments. The items in the financial statements where these judgments and estimates have been made include:

a. Depreciation and Amortisation

The depreciation and amortisation policies have been set according to management's experience of the useful lives of a typical asset in each category, something which is reviewed annually. The depreciation and amortisation charged during the year was £881,000 (2020: £819,000), which the directors feel is a fair reflection of the benefits derived from the consumption of the tangible fixed assets in use during the period.

Clicklink Logistics Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 January 2021

1.14 Key accounting estimates and assumption (continued)

b. Working day adjustment

The company works to the weekly calendar in line with the retail industry that it serves. The year end date is not usually coterminous with the accounting records. The company uses judgment to make a working day adjustment to bring the records in line with the statutory year end date. This adjustment is an estimate based on average daily activity multiplied by the number of days between records and statutory year end.

2 Turnover

The turnover and profit before taxation are attributable to the one principal activity of the company. The entire turnover in both periods related to the UK market.

3 Operating profit

	2021 £000	2020 £000
Operating profit/(loss) is stated after charging/(crediting):		
Depreciation of owned fixed assets	691	687
Amortisation of intangible assets	190	132
Auditor's remuneration:		
Audit fees	25	23
Loss on disposal of property, plant and equipment	63	-
Recharged lease costs		
- Motor vehicles	2,227	2,990

4 Staff costs

The company employs no staff. A number of staff are seconded to the company by Clipper Logistics plc, which retains their employment contracts and the obligations arising therefrom. The secondment agreement may be terminated on twelve months' notice. The aggregate payroll costs incurred were:

	2021 £000	2020 £000
Amounts recharged by Clipper Logistics plc	6,993	7,459

5 Directors' emoluments

None of the directors received any remuneration from the company during the year. Emoluments for the directors are paid by Clicklink's joint venture partners. Where a director of Clicklink is also a director of the joint venture partner their emoluments will be fully disclosed in their accounts.

6 Interest payable and similar charges

	2021 £000	2020 £000
Interest on shareholder loans	135	126

7 Taxation

a) Total tax expense recognised in the profit and loss account.

	2021 £000	2020 £000
Current tax:		
Corporation tax on profit for the period	327	-
Consideration receivable for consortium relief	-	(52)
Total corporation tax	327	(52)
Deferred taxation:		
Origination and reversal of timing differences	15	45
Total deferred tax	15	45
Total tax on loss on ordinary activities	342	(7)

7 Taxation (continued)

b) Reconciliation of effective tax rate

The tax assessed on the profit on ordinary activities for the period is higher than (2020: lower than) the standard rate of corporation tax in the UK of 19.0% (2020: 19.0%).

	2021	2020
	£000	£000
Profit/(loss) before taxation	1,666	(83)
Profit/(loss) multiplied by the standard rate of tax	316	(16)
Expenses not deductible for tax purposes	7	13
Depreciation on non-qualifying assets	-	1
Deferred tax rate increase/(reduction)	19	(5)
Total tax on profit/(loss) (note 7 (a))	342	(7)

c) Factors that may affect future tax charges

In the Spring Budget 2020, the UK Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. A rate of 19% (2020: 17%) has been applied in the measurement of the Company's deferred tax assets and liabilities in the period.

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8 Tangible assets

Cost	Plant & equipment £000	Computer hardware £000	Fixtures & fittings £000	Total £000
At 31 January 2020	4,965	687	243	5,895
Additions	143	67	30	240
Disposals	(183)	-	-	(183)
At 31 January 2021	4,925	754	273	5,952

Depreciation				
At 31 January 2020	1,559	453	189	2,201
Charge for the year	506	137	48	691
Disposals	(120)	-	-	(120)
At 31 January 2021	1,945	590	237	2,772

Net book amount				
At 31 January 2020	3,406	234	54	3,694
At 31 January 2021	2,980	164	36	3,180

9 Intangible assets

Cost	Computer Software £000
At 31 January 2020	765
Additions	175
At 31 January 2021	940
Amortisation	
At 31 January 2020	366
Charge for the year	190
At 31 January 2021	556
Net book amount	
At 31 January 2020	399
At 31 January 2021	384

10 Stock

	2021 £000	2020 £000
Spare machine parts	63	63

11 Debtors

	2021 £000	2020 £000
Amounts falling due within one year:		
Trade debtors	189	625
Amounts owed by related parties	2,113	464
Corporation tax recoverable	-	52
Prepayments and accrued income	1,014	2,338
	3,316	3,479

Amounts owed by related parties are interest free and repayable within normal commercial terms.

12 Creditors: amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	1,944	2,407
Amounts owed to related parties	1,450	528
Other taxation and social security	447	322
Other creditors	696	595
Corporation tax	275	-
Accruals and deferred income	406	838
	5,218	4,690

Amounts owed to related parties are interest free and repayable within normal commercial terms.

13 Creditors: amounts falling due after more than one year

	2021 £000	2020 £000
Shareholder loans	3,900	3,900

The shareholders have jointly made available to the company a term loan facility of £3,900,000. The facility may be drawn in up to ten loans. Interest on each loan is calculated at a margin of 1.65% above 12-month LIBOR and is payable annually. Loans drawn under the facility as at 31 January 2021 are repayable in November 2022.

14 Provisions for liabilities

	Deferred taxation £000
At 31 January 2020	160
Charged to the profit & loss account	15
At 31 January 2021	175

The charge of deferred taxation to profit and loss consists of the tax effect of timing differences in respect of:

	2021 £000
Excess of taxation allowances over depreciation on fixed assets	15
	15

There are no unprovided deferred tax liabilities at 31 January 2021.

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15 Share capital

	2021 £000	2020 £000
Allotted, called up and fully paid:		
1,000,000 A ordinary shares of £1 each	1,000	1,000
1,000,000 B ordinary shares of £1 each	1,000	1,000
	2,000	2,000

The holders of A ordinary shares and B ordinary shares are entitled to share pari passu in any distribution of the company and are entitled to one vote per share in any circumstances.

16 Financial instruments

The company has the following financial instruments:

	2021 £000	2020 £000
Financial assets		
Financial assets measured at amortised cost	7,597	5,257
Financial liabilities		
Financial liabilities measured at amortised cost	8,900	8,271

Financial assets measured at amortised cost comprise cash, trade debtors, amounts owed by related parties, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, accruals, amounts owed to related parties, other loans and obligations under finance lease and hire purchase contracts.

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17 Analysis of changes in net debt

	At 1 February 2020 £000	Cash flows £000	At 31 January 2021 £000
Cash at bank and in hand	2,580	2,559	5,139
Cash and cash equivalents	2,580	2,559	5,139
Shareholder loans	(3,900)	-	(3,900)
Total	(1,320)	2,559	1,239

18 Related party transactions

The company is controlled equally by Clipper Logistics plc and John Lewis plc.

During the period the company entered into the following transactions with related parties:

John Lewis plc	2021 £000	2020 £000
Amounts charged to related parties	21,815	18,710
Amounts charged by related parties	480	497
Tangible & intangible fixed assets acquired from related parties	-	-
Clipper Logistics plc	2021 £000	2020 £000
Amounts charged to related parties	3,135	2,518
Amounts charged by related parties	18,570	16,619
Tangible & intangible fixed assets acquired from related parties	-	112

18 Related party transactions (continued)

At 31 January the following amounts were owed by / to related parties:

	2021 £000	2020 £000
John Lewis plc		
Amounts owed by related parties	1,439	213
Amounts owed to related parties	3,281	2,027

	2021 £000	2020 £000
Clipper Logistics plc		
Amounts owed by related parties	674	251
Amounts owed to related parties	2,069	2,401

19 Controlling party

The company is controlled equally by Clipper Logistics plc and John Lewis plc.