Company Registration No. 10440139 (England and Wales)

CCL (WT) NEWCO 3 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 DECEMBER 2018

CCL (WT) NEWCO 3 LIMITED

COMPANY INFORMATION

Directors	Mrs Swaranlata Kandhari	
	Mr Ashmeet Kandhari	(Appointed 12 December 2018)
Company number	10440139	
Registered office	Kalamu House 11 Coldbath Square London EC1R 5HL	
Auditor	KLSA LLP Kalamu House 11 Coldbath Square London EC1R 5HL	

CCL (WT) NEWCO 3 LIMITED

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CCL (WT) NEWCO 3 LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 30 DECEMBER 2018

The directors present the strategic report for the period ended 30 December 2018.

Fair review of the business
The results for the period under review and the financial position at the period end were considered satisfactory by directors. The group's objective is to achieve sustainable growth and returns through organic growth.

As shown in the group's profit and loss account set out on page 7, the group made a profit after tax of £2,407,111

The group's balance sheet on page 9 shows that its financial position remained strong with net assets valued at £2,407,311

Principal risks and uncertainties
The management of the business and the execution of the company's strategy are subject to a number of risks. Risks are reviewed by the directors and appropriate processes are put in place to monitor and mitigate them. The key business risks affecting the company are set out below:-

Interest rate risk
The directors monitor the banking facilities and interest rates on a regular basis to make sure that the company is not exposed to material levels of interest rate risk.

Liquidity risk
The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet forseeable needs by monitoring the working capital requirements. The company has also a sales financing agreement against which amounts are drawn down against the value of the trade debtors for working capital.

Credit risk
The company's principal credit risk is from its trade debtors. In order to manage the credit risk associated with trade debtors, the directors set limits for customers based on a combination of payment history and third party references.

Development and performance
The directors aim to continue with management policies which has resulted in the group's steady growth in recent years.

Key performance indicators
The key financial indicators for the performance of the group are gross profit margin and turnover.

The gross profit of the group for the period under review was £5.04m and turnover of £23.24m.

The key non financial performance indicators are client service and satisfaction and shareholder relationships.

On behalf of the board

Mr Ashmeet Kandhari
Director
20 November 2019

The directors present their annual report and financial statements for the period ended 30 December 2018.

Principal activities
The principal activity of the company and group continued to be that of E-commerce fulfilment.

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

Mrs Swaranlata Kandhari	
Mr Harpal Singh Kandhari	(Resigned 15 August 2019)
Mr Ashmeet Kandhari	(Appointed 12 December 2018)

Results and dividends
The results for the period are set out on page 7

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

Auditor
In accordance with the company's articles, a resolution proposing that KLSA LLP be appointed as auditor of the company will be put at a General Meeting.

Statement of directors' responsibilities
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

Mr Ashmeet Kandhari
Director
20 November 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CCL (WT) NEWCO 3 LIMITED

Opinion

We have audited the financial statements of CCL (WT) Newco 3 Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 30 December 2018 which comprise the Group Profit And Loss Account, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows, the Company Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and the parent company's affairs as at 30 December 2018 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 our audit:

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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.

Responsibilities of directors
As explained more fully in the Directors' Responsibilities Statement, 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 group's and the 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 the directors 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 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.

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.

Shilpa Chheda (Senior Statutory Auditor)
for and on behalf of KLSA LLP

20 November 2019

Chartered Accountants
Statutory Auditor

Kalamu House
11 Coldbath Square
London
EC1R 5HL

CCL (WT) NEWCO 3 LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 DECEMBER 2018

	Notes	Period ended 31 December 2018 £
Turnover	3	23,235,827
Cost of sales		(18,192,853)
Gross profit		5,042,974
Administrative expenses		(2,234,359)
Operating profit	4	2,808,615
Interest receivable and similar income	7	2,569
Interest payable and similar expenses	8	(833)
Profit before taxation		2,810,351
Tax on profit	9	(403,240)
Profit for the financial period		2,407,111

Profit for the financial period is all attributable to the owners of the parent company

CCL (WT) NEWCO 3 LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 DECEMBER 2018

	Period ended 31 December 2018 £
Profit for the period	2,407,111
Other comprehensive income	-
Total comprehensive income for the period	2,407,111

Total comprehensive income for the period is all attributable to the owners of the parent company.

CCL (WT) NEWCO 3 LIMITED

GROUP BALANCE SHEET

AS AT 30 DECEMBER 2018

	Notes	2018 £	£
Fixed assets			
Negative goodwill	10		(2,889,356)
Tangible assets	11		157,722
			(2,731,634)
Current assets			
Stocks	15	2,112,634	
Debtors	16	5,551,789	
Cash at bank and in hand		1,260,932	
		8,925,355	
Creditors: amounts falling due within one year	17	(3,762,718)	
Net current assets			5,162,637
Total assets less current liabilities			2,431,003
Provisions for liabilities	18		(23,692)
Net assets			2,407,311
Capital and reserves			
Called up share capital	20		200
Profit and loss reserves			2,407,111
Total equity			2,407,311

The financial statements were approved by the board of directors and authorised for issue on 20 November 2019 and are signed on its behalf by:

Mr Ashmeet Kandhari
Director

CCL (WT) NEWCO 3 LIMITED

COMPANY BALANCE SHEET

AS AT 30 DECEMBER 2018

	Notes	2018 £	£	2017 £/1000	£/1000
Fixed assets					
Investments	**12**		200		-
Current assets					
Debtors	**16**	-		1	
Net current assets			-		1
Total assets less current liabilities			200		1
Capital and reserves					
Called up share capital	**20**		200		1

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £0.

The financial statements were approved by the board of directors and authorised for issue on 20 November 2019 and are signed on its behalf by:

Mr Ashmeet Kandhari
Director

Company Registration No. 10440139

CCL (WT) NEWCO 3 LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 DECEMBER 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 November 2017		1	-	1
Profit and total comprehensive income for the period		-	2,407,111	2,407,111
Issue of share capital	20	199	-	199
Balance at 30 December 2018		200	2,407,111	2,407,311

CCL (WT) NEWCO 3 LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 DECEMBER 2018

	Notes	Share capital £
Balance at 1 November 2017		1
Profit and total comprehensive income for the period		-
Issue of share capital	**20**	199
Balance at 30 December 2018		200

CCL (WT) NEWCO 3 LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 DECEMBER 2018

	Notes	2018 £	£
Cash flows from operating activities			
Cash generated from/(absorbed by) operations	26		1,108,241
Interest paid			(833)
Income taxes paid			(232,001)
Net cash inflow/(outflow) from operating activities			875,407
Investing activities			
Purchase of business		648,163	
Purchase of tangible fixed assets		(25,650)	
Proceeds from other investments and loans		(239,557)	
Interest received		2,569	
Net cash generated from/(used in) investing activities			385,525
Net increase in cash and cash equivalents			1,260,932
Cash and cash equivalents at beginning of period			-
Cash and cash equivalents at end of period			1,260,932

1 Accounting policies

Company information

CCL (WT) Newco 3 Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Kalamu House, 11 Coldbath Square, London, EC1R 5HL.

The group consists of CCL (WT) Newco 3 Limited and all of its subsidiaries.

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

1 Accounting policies **(Continued)**

The consolidated financial statements incorporate those of CCL (WT) Newco 3 Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 December 2018. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Rex Brown Limited has been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account and statement of cash flows include the results and cash flows of Rex Brown Limited for the 12 month period from its acquisition on 28th December 2017. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

The group profit and loss account and statement of cash flows also include the results and cash flows of CCL (WT) Newco 3 Limited for the 14 month period and includes the results and cash flows of Rex Brown Limited for the 12 month period to 31 December 2018.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Reporting period

The accounting reference period ending 31 December 2018 was shortened so as at to end on 30 December 2018.

1.5 Turnover

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

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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

1 Accounting policies **(Continued)**

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10% on Straight line basis.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Goodwill - Group

Goodwill is the difference between the amount paid on the acquisition of the subsidiary and the aggregate fair value of its separable net assets. Goodwill is recognised subsequently with the excess up to the fair value of non-monetary assets acquired in profit or loss in the periods in which the non-monetary assets are recovered. Any excess exceeding the fair value of non-monetary assets acquired shall be recognised in profit or loss over its estimated useful economic life of 5 years.

1.7 Intangible fixed assets other than goodwill

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

1.8 Tangible fixed assets

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

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

Leasehold land and buildings	10% reducing balance method
Fixtures and fittings	10% reducing balance method

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 recognised in the profit and loss account.

1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govem the financial and operating policies of the entity so as to obtain benefits from its activities.

1 Accounting policies **(Continued)**

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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

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

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

1 Accounting policies **(Continued)**

1.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.12 Cash at bank and in hand

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

1.13 Financial instruments

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

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

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

1 Accounting policies **(Continued)**

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

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

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

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

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

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Other financial liabilities
Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

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

1 Accounting policies **(Continued)**

Derecognition of financial liabilities
Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

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

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

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

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

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

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

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

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

1.17 Retirement benefits
Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

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

1 Accounting policies **(Continued)**

1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

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

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

3 Turnover and other revenue

	2018
	£
Turnover analysed by class of business	
E-Commerce fulfilment	23,235,827

	2018
	£
Other significant revenue	
Interest income	2,569

	2018
	£
Turnover analysed by geographical market	
United Kingdom	18,557,580
Europe	4,678,247
	23,235,827

4 Operating profit

	2018
	£
Operating profit for the period is stated after charging/(crediting):	
Exchange losses	31,638
Depreciation of owned tangible fixed assets	22,734
Release of negative goodwill	(702,988)
Cost of stocks recognised as an expense	18,192,853
Operating lease charges	549,624

Exchange differences recognised in profit or loss during the period, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £31,638.

5 Auditor's remuneration

	2018
Fees payable to the company's auditor and associates:	£
For audit services	
Audit of the financial statements of the company's subsidiaries	13,493

6 Employees

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

	Group 2018 Number	Company 2018 Number
Administration and warehouse	43	-

Their aggregate remuneration comprised:

	Group 2018 £	Company 2018 £
Wages and salaries	1,014,668	-
Social security costs	84,833	-
Pension costs	7,290	-
	1,106,791	-

7 Interest receivable and similar income

	2018
	£
Interest income	
Interest on bank deposits	786
Other interest income	1,783
Total income	2,569

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	786

8 Interest payable and similar expenses

	2018
	£
Other finance costs:	
Other interest	833

9 Taxation

	2018
	£
Current tax	
UK corporation tax on profits for the current period	404,268
Deferred tax	
Origination and reversal of timing differences	(1,028)
Total tax charge for the period	403,240

9 Taxation (Continued)

The actual charge for the period can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2018
	£
Profit before taxation	2,810,351
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00%	533,967
Tax effect of expenses that are not deductible in determining taxable profit	4,629
Amortisation on assets not qualifying for tax allowances	(133,568)
Capital allowances in excess of depreciation	(760)
Deferred tax on timing difference	(1,028)
Taxation charge for the period	403,240

10 Intangible fixed assets

Group	Goodwill	Negative goodwill	Total
	£	£	£
Cost			
At 1 November 2017	99,500	-	99,500
Additions - business combinations	-	(3,592,344)	(3,592,344)
At 30 December 2018	99,500	(3,592,344)	(3,492,844)
Amortisation and impairment			
At 1 November 2017	99,500	-	99,500
Amortisation charged for the period	-	(702,988)	(702,988)
At 30 December 2018	99,500	(702,988)	(603,488)
Carrying amount			
At 30 December 2018	-	(2,889,356)	(2,889,356)

The company had no intangible fixed assets at 30 December 2018.

11 Tangible fixed assets

Group	Leasehold land and buildings	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 November 2017	11,336	16,455	27,791
Additions	-	25,649	25,649
Business combinations	36,400	118,408	154,808
At 30 December 2018	47,736	160,512	208,248
Depreciation and impairment			
At 1 November 2017	11,336	16,456	27,792
Depreciation charged in the period	8,327	14,407	22,734
At 30 December 2018	19,663	30,863	50,526
Carrying amount			
At 30 December 2018	28,073	129,649	157,722

The company had no tangible fixed assets at 30 December 2018.

12 Fixed asset investments

	Notes	Group 2018	Company 2018
		£	£
Investments in subsidiaries	13	-	200

Movements in fixed asset investments
Company

	Shares in group undertakings
	£
Cost or valuation	
At 1 November 2017	-
Additions	200
At 30 December 2018	200
Carrying amount	
At 30 December 2018	200

13 Subsidiaries

Details of the company's subsidiaries at 30 December 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	Indirect
Rex Brown Limited	England and Wales	E-commerce fulfilment	Ordinary	100.00	

14 Financial instruments

	Group 2018 £	Company 2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	5,514,790	-
Carrying amount of financial liabilities		
Measured at amortised cost	3,349,102	-

15 Stocks

	Group 2018 £	Company 2018 £
Finished goods and goods for resale	2,112,634	-

16 Debtors

Amounts falling due within one year:	Group 2018 £	Company 2018 £
Trade debtors	5,180,865	-
Other debtors	333,925	-
Prepayments and accrued income	36,999	-
	5,551,789	-

17 Creditors: amounts falling due within one year

	Group 2018 £	Company 2018 £
Trade creditors	3,281,586	-
Corporation tax payable	276,757	-
Other taxation and social security	136,859	-
Other creditors	52,681	-
Accruals and deferred income	14,835	-
	3,762,718	-

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2018 £
Accelerated capital allowances	23,692

The company has no deferred tax assets or liabilities.

Movements in the period:	Group 2018 £	Company 2018 £
Liability at 1 November 2017	-	-
Credit to profit or loss	(1,028)	-
Liability/(asset) at 30 December 2018	(1,028)	-

19 Retirement benefit schemes

Defined contribution schemes	2018 £
Charge to profit or loss in respect of defined contribution schemes	7,290

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

20 Share capital

	Group and company 2018
Ordinary share capital	**£**
Issued and fully paid	
200,000 Ordinary share capital of 0.1p each	200

21 Acquisitions

On 28 December 2017 the group acquired 100% of the issued capital of Rex Brown Limited.

	Book Value £	Adjustments £	Fair Value £
Property, plant and equipment	154,807	-	154,807
Inventories	1,554,924	-	1,554,924
Trade and other receivables	4,632,355	-	4,632,355
Cash and cash equivalents	648,163	-	648,163
Trade and other payables	(3,268,495)	-	(3,268,495)
Tax liabilities	(104,490)	-	(104,490)
Deferred tax	(24,720)	-	(24,720)
Total identifiable net assets	3,592,544	-	3,592,544
Goodwill			(3,592,345)
Total consideration			199

The consideration was satisfied by:	£
Issue of shares	199

Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:	£
Turnover	19,728,676
Profit after tax	920,106

22 Operating lease commitments

Lessee

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

	Group 2018 £	Company 2018 £
Within one year	157,500	-
	157,500	-

23 Related party transactions

The company has taken advantage of the exemption available in FRS 102 (s33 "Related Party Disclosure"), whereby it has not disclosed transactions with any wholly owned subsidiary undertaking of the group,

During the year the company purchased goods amounting to £1,333,365 (2017: £1,515,788), and sold goods amounting to £85,529 (2017: £95,442) to companies connected by virtue of common control. Included in the trade debtors balance, is an amount due to the connected companies of £269,137 (2017: - £494,699). The company is connected to Rex Brown Limited by virtue of common control.

During the year, the company sold goods amounting to £218,892 (2017: £313,018), and purchased goods amounting to £72,249 (£861,848) to/from a connected company by virtue of common directors. The balance due from this company at the year end amounted to £ 22,260 (£512,964).

During the year, the company paid rent amounting to £276,000 to Kandhari family for renting the trading premises.

During the year, the company paid management fees amounting to £573,000 (2017: £1,544,401) to two companies. One company is connected by virtue of common control and the other by virtue common directors.

24 Directors' transactions

At the balance sheet date, the balance due from Mr & Mrs Kandhari, the directors, amounted to £239,557. The balance is including interest, unsecured, repayable on demand and has been repaid in August 2019.

25 Controlling party

The ultimate controlling party is Kandhari family.

26 *Cash generated from group operations*

	2018
	£
Profit for the period after tax	2,407,111
Adjustments for:	
Taxation charged	403,240
Finance costs	833
Investment income	(2,569)
Amortisation and impairment of intangible assets	(702,988)
Depreciation and impairment of tangible fixed assets	22,734
Movements in working capital:	
(Increase) in stocks	(557,710)
(Increase) in debtors	(679,876)
Increase in creditors	217,466
Cash generated from/(absorbed by) operations	1,108,241