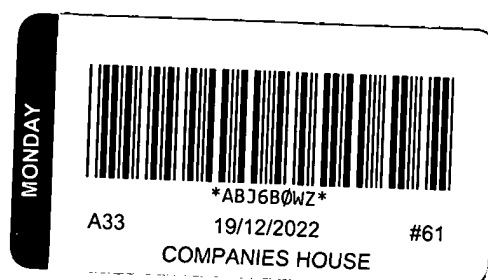


Company Registration No. 12319873 (England and Wales)

HADLEE MIDCO LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2022



HADLEE MIDCO LIMITED

COMPANY INFORMATION

| | |
|----------------------------|--|
| Directors | RHP Adams-Mercer (Resigned 15 July 2021) K Dasgupta (Resigned 15 July 2021) JB Greenbury D Sasaki (Resigned 15 July 2021) S Shaw |
| Company number | 12319873 |
| Registered office | The Cube Coe Street Bolton Lancashire United Kingdom BL3 6BU |
| Independent Auditor | Grant Thornton UK LLP Landmark St Peters Square 1 Oxford Road Manchester M1 4PB |

HADLEE MIDCO LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present the strategic report for the year ended 31 March 2022.

Review of the business and key performance indicators

Hadlee Midco Limited is the intermediate holding company of the Parcel2Go group, the UK's leading parcel delivery comparison website and provider of parcel delivery technology.

During the year, the company indirectly acquired a 100% stake in the Parcel Monkey group via its indirect wholly owned subsidiary, P2G.com Worldwide Limited.

In July 2021, the Company's immediate parent company, Hadlee Holdco Limited, was acquired by Pack-a-Punch Bidco Limited, providing the business with access to additional expertise and capital. Pack-a-Punch Bidco Limited is a wholly owned subsidiary of Pack-a-Punch Topco Limited, and the EQT Mid Market Europe fund holds a majority stake in Pack-a-Punch Topco Limited.

The Company's core business is the provision of management services to its subsidiary companies. These financial statements present information about the company as an individual entity and not about its group.

The key performance indicators are monitored on a group wide basis by the board and have been reviewed in detail in the strategic report contained within the consolidated financial statements of the company's parent company, Pack-a-Punch Topco Limited, which are publicly available.

Future developments

The board of Directors are not expecting any changes in the business activity of the Company.

Principal risks and uncertainties

The principal risks and uncertainties are monitored on a group wide basis by the board and have been described in detail in the strategic report contained within the consolidated financial statements of the company's parent company, Pack-a-Punch Topco Limited, which are publicly available.

On behalf of the board

Simon Shaw

S Shaw

Director

22/8/2022

Date:

HADLEE MIDCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present their annual report and financial statements for the year ended 31 March 2022.

Principal activities

The principal activity of the company during the year was the provision of management services.

Directors

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

| | |
|------------------|-------------------------|
| RHP Adams-Mercer | (Resigned 15 July 2021) |
| K Dasgupta | (Resigned 15 July 2021) |
| JB Greenbury | |
| D Sasaki | (Resigned 15 July 2021) |
| D Shaw | |

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid in the year. The directors do not recommend payment of a dividend.

Qualifying third party indemnity provisions

Qualifying third party indemnity provisions for the benefit of the Directors were in force during the year and at the date of approval of the financial statements.

Strategic report

The company has chosen in accordance with Companies Act 2006, s.414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

Auditor

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

Going concern

The Directors note the net current liabilities and net liabilities position of the Company at the balance sheet date and that the Company's subsidiaries are cash generative and have held high cash balances throughout the year. The current cash funding requirements and forecasts prepared by management have given the directors a reasonable expectation that the Company will have sufficient resources available to continue in operational existence for the foreseeable future, with the continued support of its bankers and group companies. The group headed by Pack-a-Punch Topco Limited have expressed their commitment to continue to support the company as required to meet its financial obligations for the period of at least 12 months following the signing of these accounts. For these reasons, the directors consider it appropriate to prepare the financial statements on a going concern basis.

HADLEE MIDCO LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Statement of disclosure to auditor

The directors confirm that:

- So far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- The directors 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 the company's auditor is aware of that information.

On behalf of the board

Simon Shaw
.....

S Shaw

Director

Date: 22/8/2022
.....

HADLEE MIDCO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 Hadlee Midco Limited

Opinion

We have audited the financial statements of Hadlee Midco Limited (the 'company') for the year ended 31 March 2022, which comprise the statement of comprehensive income, the statement of financial position, statement of changes in equity 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 Financial Reporting Standard 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 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Independent auditor's report to the members of Hadlee Midco Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Report, other than the financial statements and our auditor's report thereon. 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 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.

Matter on which we are required to report under the Companies Act 2006

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.

Matters on which we are required to report by exception

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.

Responsibilities of directors for the financial statements

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 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.

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.

Independent auditor's report to the members of Hadlee Midco Limited (continued)

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant that are directly relevant to specific assertions in the financial statements are those related to the reporting framework FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.
- We understood how the Company is complying with those legal and regulatory frameworks by making enquiries of management, and those charged with governance of the entity. We corroborated our enquiries through our review of board minutes and papers provided to the Board;
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included; Evaluation of the processes and controls established to address the risks related to irregularities and fraud and testing of journal entries, in particular entries relating to management estimates, large or unusual transactions;
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's knowledge of the industry in which the client operates in and understanding of, and practical experience through training and participation with audit engagements of a similar nature;
- In assessing the potential risks of material misstatement, we obtained an understanding of; the Company's operations, including the nature of its revenue sources, expected financial statement disclosures and business risks that may result in risk of material misstatement; and the Company's control environment including the adequacy of procedures for the authorisation of transactions.

Independent auditor's report to the members of Hadlee Midco Limited (continued)

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.

Grant Thornton UK LLP

Paul Bamber MA FCA

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Manchester

22/8/2022

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HADLEE MIDCO LIMITED**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 MARCH 2022**

| | | 2022 | 18 November |
|--|--------------|----------------|--------------------|
| | Notes | 2022 | 2019 to 31 |
| | | £000 | March 2021 |
| | | | £000 |
| Administrative expenses - normal | | (689) | (161) |
| Administrative expenses - exceptional | 3 | - | (19) |
| Total administrative expenses | | <u>(689)</u> | <u>(180)</u> |
| Operating loss | | (689) | (180) |
| Interest receivable and similar income | 6 | 5,680 | 6,822 |
| Interest payable and similar expenses | 7 | <u>(5,844)</u> | <u>(6,963)</u> |
| Loss before taxation | | (853) | (321) |
| Tax on loss | 8 | - | - |
| Loss for the financial period | | <u>(853)</u> | <u>(321)</u> |

There was no other comprehensive income in the year.

The notes on pages 12 to 23 are an integral part of these financial statements.

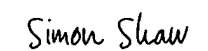
Company Registration No. 12319873

HADLEE MIDCO LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2022**

| | | 2022 | 2021 |
|---|-------|----------|----------|
| | Notes | £000 | £000 |
| Fixed assets | | | |
| Investments | 9 | - | - |
| Current assets | | | |
| Debtors | 11 | 60,686 | 54,933 |
| Creditors: amounts falling due within one year | 12 | (61,521) | (839) |
| Net current (liabilities)/assets | | (835) | 54,094 |
| Total assets less current liabilities | | (835) | 54,094 |
| Creditors: amounts falling due after more than one year | 13 | (339) | (54,415) |
| Net liabilities | | (1,174) | (321) |
| Capital and reserves | | | |
| Called up share capital | 15 | - | - |
| Profit and loss reserves | 16 | (1,174) | (321) |
| Total equity | | (1,174) | (321) |

22/8/2022

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



S Shaw
Director

The notes on pages 12 to 23 are an integral part of these financial statements.

HADLEE MIDCO LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 MARCH 2022**

| | | Share capital | Profit and loss reserves | Total |
|--|-------|---------------|-----------------------------|---------|
| | Notes | £000 | £000 | £000 |
| Balance at 18 November 2019 | | - | - | - |
| Period ended 31 March 2021: | | | | |
| Issue of share capital | 15 | - | - | - |
| Loss and total comprehensive income for the period | | - | (321) | (321) |
| Balance at 31 March 2021 | | - | (321) | (321) |
| Year ended 31 March 2022: | | | | |
| Loss and total comprehensive income for the year | | - | (853) | (853) |
| Balance at 31 March 2022 | | - | (1,174) | (1,174) |

The notes on pages 12 to 23 are an integral part of these financial statements.

HADLEE MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Hadlee Midco Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is The Cube, Coe Street, Bolton, Lancashire, United Kingdom, BL3 6BU.

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

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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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

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

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

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' - Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 26 'Share based payments' - 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 modification to arrangements.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

Hadlee Midco Limited is a wholly owned subsidiary of Hadlee Holdco Limited, a company incorporated in Guernsey, and the results of Hadlee Midco Limited are included in the consolidated financial statements of Pack-a-Punch Topco Limited which are available from its registered office, The Cube, Coe Street, Bolton, Lancashire, United Kingdom, BL3 6BU.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated financial statements. The financial statements present information about the company as an individual entity and not about its group.

Reporting period

The financial statements have been prepared for the year ended 31 March 2022. The previous period relates to the period from the date of incorporation of 18 November 2019 to 31 March 2021.

HADLEE MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

Going concern

As part of its going concern review the directors have followed the guidelines published by the Financial Reporting Council entitled "Guidance on the Going Concern Basis of Accounting and Reporting on Solvency and Liquidity Risks". The directors have prepared detailed financial forecasts and cash flows covering a period through to 30 September 2023. In drawing up these forecasts the directors have made assumptions based upon their view of the current and future economic conditions that will prevail over the forecast period. The forecasts have been sensitised for a reduction in revenue to the end of the review period with the impact on profitability and cash flow considered, net of expected variable costs savings. The forecasts have also been stress tested to assess the Group's ability to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements, with a focus on whether the Group is forecast to be in compliance with the leverage covenant in the Group's loan facilities. The covenant calculations derived from the forecasts indicate that the Group will have sufficient profitability to meet its covenant requirements and will retain sufficient liquidity to meet debt obligations and fund operations during the forecast period.

The Covid-19 pandemic has had a positive impact on the company's subsidiaries with an increase in parcel volumes, and has had minimal impact on operations. The directors do not consider the outbreak to have any impact on the going concern of the business.

The Directors note the net current liabilities and net liabilities position of the company at the balance sheet date and that the company's subsidiaries are cash generative and have held high cash balances throughout the period. The current cash funding requirements and forecasts prepared by management have given the directors a reasonable expectation that the company will have sufficient resources available to continue in operational existence for the foreseeable future, with the continued support of its bankers and group companies. The group headed by Pack-a-Punch Topco Limited have expressed their commitment to continue to support the company as required to meet its financial obligations for the period of at least 12 months following the signing of these accounts. For these reasons, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Interest income

Interest income is recognised in profit or loss using the effective interest rate method.

Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

HADLEE MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

Impairment of fixed assets

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

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

Cash and cash equivalents

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

Financial instruments

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

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

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

Basic financial assets

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

HADLEE MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

Other financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

Other financial liabilities

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 where the contractual returns, repayment of the principal, or other terms (such as prepayment provisions or term extensions) do not meet the conditions to be measured at amortised cost, are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

HADLEE MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

Derecognition of financial liabilities

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

Equity instruments

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

Taxation

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

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

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

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

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

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

Employee benefits

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

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

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

Retirement benefits

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

HADLEE MIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2022****1 Accounting policies (Continued)****Foreign exchange**

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

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

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

Exceptional items

The company classifies certain one-off charges or credits that have a material impact on the company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the company.

2 Judgements and key sources of estimation uncertainty

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

The estimates, judgements 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.

Impairment of investment

Investments in subsidiaries are initially recognised at cost and are assessed annually to consider whether any impairment to the asset is required.

3 Exceptional costs

| | 2022 | 2021 |
|-------------------|-------------|-------------|
| | £000 | £000 |
| Exceptional costs | - | 19 |

The exceptional costs incurred in the prior period related to professional fees in connection with the listing of the company's loan notes and were charged to the statement of comprehensive income.

HADLEE MIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2022****4 Employees**

The average monthly number of persons (including directors) employed by the company during the year was 0 (2021: 0).

5 Auditor's remuneration

| | 2022 | 2021 |
|---|-------------|-------------|
| | £000 | £000 |
| Fees payable to the company's auditor and its associates: | | |
| For audit services | | |
| Audit of the financial statements of the company | 2 | 7 |
| | <u>2</u> | <u>7</u> |
| Taxation compliance services | 2 | 1 |
| | <u>2</u> | <u>1</u> |

6 Interest receivable and similar income

| | 2022 | 2021 |
|--|--------------|--------------|
| | £000 | £000 |
| Interest receivable from group companies | 5,680 | 6,822 |
| | <u>5,680</u> | <u>6,822</u> |

7 Interest payable and similar expenses

| | 2022 | 2021 |
|-------------------------------------|--------------|--------------|
| | £000 | £000 |
| Loan note interest | 2,881 | 6,832 |
| Interest payable to group companies | 2,963 | 131 |
| | <u>5,844</u> | <u>6,963</u> |

Loan note interest was charged on shareholder loan notes held by Mayfair Equity Partners LLP and management. Interest on the loan notes was charged at 10%.

HADLEE MIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2022****8 Taxation**

The total tax charge for the period included in the statement of comprehensive income can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

| | 2022 | 2021 |
|--|-------------|-------------|
| | £000 | £000 |
| Loss before taxation | (853) | (321) |
| Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%) | (162) | (61) |
| Tax effect of expenses that are not deductible in determining taxable profit | 635 | 1,215 |
| Group relief | (473) | (1,154) |
| Taxation charge for the period | - | - |

Factors affecting future tax charges

The standard rate of UK corporation tax is 19%, increasing to 25% from 1 April 2023. This was substantively enacted on 24 May 2021, therefore these rates are applicable in the measurement of deferred tax assets and liabilities at 31 March 2022.

9 Fixed asset investments

| | 2022 | 2021 |
|-----------------------------|-------------|-------------|
| | £ | £ |
| Investments in subsidiaries | 1 | 1 |

Movements in fixed asset investments

| | Shares in group undertakings £ |
|-----------------------------------|---|
| Cost or valuation | |
| At 1 April 2021 and 31 March 2022 | 1 |
| Carrying amount | |
| At 31 March 2022 | 1 |
| At 31 March 2021 | 1 |

HADLEE MIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2022****10 Subsidiaries**

Details of the company's subsidiaries at 31 March 2022 are as follows:

| Name of undertaking | Registered office | Nature of business | Class of shares held | % Held | |
|--------------------------------|--|----------------------------------|-----------------------------|---------------|-----------------|
| | | | | Direct | Indirect |
| Hadlee Bidco Limited | The Cube, Coe Street, Bolton, Lancashire, United Kingdom, BL3 6BU | Provision of management services | Ordinary | 100.00 | - |
| P2G.com Worldwide Limited | The Cube, Coe Street, Bolton, BL3 6BU | Holding company | Ordinary | - | 100.00 |
| ASB Trading Limited | The Cube, Coe Street, Bolton, BL3 6BU | Online parcel delivery services | Ordinary | - | 100.00 |
| P2G Polska Sp.z.o.o | Droga Debinska 3B, Poznan, 61 - 555 Poznan, Poland | Online parcel delivery services | Ordinary | - | 100.00 |
| Parcel2Go.com Limited | The Cube, Coe Street, Bolton, Lancashire, BL3 6BU | Online parcel delivery services | Ordinary | - | 100.00 |
| P2G USA Limited | The Cube, Coe Street, Bolton, Lancashire, United Kingdom, BL3 6BU | Dormant | Ordinary | - | 100.00 |
| P2G Nominees Limited | The Cube, Coe Street, Bolton, England, BL3 6BU | Activities of head office | Ordinary | - | 100.00 |
| Parcel Monkey Holdings Limited | 21 Tollgate, Chandlers Ford, Hampshire, SO53 3TG | Provision of management services | Ordinary | - | 100.00 |
| Parcel Monkey Limited | 21 Tollgate, Chandlers Ford, Hampshire, SO53 3TG | Online parcel delivery services | Ordinary | - | 100.00 |
| Cloud Fulfilment Limited | 21 Tollgate, Chandlers Ford, Hampshire, SO53 3TG | e-Commerce fulfilment services | Ordinary | - | 100.00 |
| Parcel Monkey France | Parcel Monkey c/o Access 15 Rue Massena 06000 Nice France | Online parcel delivery services | Ordinary | - | 100.00 |
| Parcel Monkey (Mauritius) Ltd | Govinden Lane Floreal Mauritius | Provision of customer services | Ordinary | - | 100.00 |
| Parcel Monkey LLC | 210 East Sunrise Highway, Valley Stream, New York 11581, United States | Dormant | Ordinary | - | 100.00 |
| Cloud Fulfilment LLC | 210 East Sunrise Highway, Valley Stream, New York 11581, United States | Dormant | Ordinary | - | 100.00 |

HADLEE MIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2022****11 Debtors**

| | 2022 | 2021 |
|---|---------------|---------------|
| | £000 | £000 |
| Amounts falling due within one year: | | |
| Amounts owed by group undertakings | 53,974 | 48,976 |
| | <u>53,974</u> | <u>48,976</u> |

Amounts owed by group undertakings shown above are unsecured, repayable on demand and carry interest of 0% on £186k (2021: £190k) and 10% on £53,788k (2021: £48,786k).

| | 2022 | 2021 |
|--|---------------|---------------|
| | £000 | £000 |
| Amounts falling due after more than one year: | | |
| Amounts owed by group undertakings | 6,712 | 5,957 |
| | <u>6,712</u> | <u>5,957</u> |
| Total debtors | <u>60,686</u> | <u>54,933</u> |

Amounts owed by group undertakings are loan notes issued by the company's subsidiary. The loan notes are unsecured and subject to an interest rate of 10% per annum. £6,634k of the loan notes is repayable in December 2026, and £78k is repayable in December 2031.

12 Creditors: amounts falling due within one year

| | 2022 | 2021 |
|------------------------------------|---------------|-------------|
| | £000 | £000 |
| Amounts owed to group undertakings | 61,521 | 839 |
| | <u>61,521</u> | <u>839</u> |

Amounts due to group undertakings shown above are unsecured, repayable on demand and carry interest of 10% on £926k, and of the group's external cost of borrowing plus 1% on £60,595k.

13 Creditors: amounts falling due after more than one year

| | 2022 | 2021 |
|--|-------------|---------------|
| | £000 | £000 |
| Amounts owed to group undertakings | 339 | 236 |
| Amounts owed to ultimate controlling party | - | 48,226 |
| Other creditors | - | 5,953 |
| | <u>339</u> | <u>54,415</u> |

Amounts owed to group undertakings are loan notes held by the company's immediate parent company. The loan notes are unsecured and subject to an interest rate of 10% per annum. £261k of the loan notes is repayable in December 2026, and £78k is repayable in December 2031.

HADLEE MIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2022****14 Borrowings**

| | 2022 | 2021 |
|----------------------------------|-------------|-------------|
| | £000 | £000 |
| Loan notes | 339 | 54,415 |
| Payable within one year | - | - |
| Payable within two to five years | 261 | - |
| Payable after five years | 78 | 54,415 |

The carrying amount of the loan notes is shown net of financing fees of £nil (2021: £686k).

15 Share capital

| | 2022 | 2021 |
|-------------------------------|-------------|-------------|
| | £ | £ |
| Ordinary share capital | | |
| Issued and fully paid | | |
| 1 Ordinary share of £1 each | 1 | 1 |

The shares have full rights in respect of voting, rights to dividend and participation in capital distributions and full rights in winding up.

16 Purpose of reserves

Reserves of the company represent the following:

Profit and loss account

Cumulative profit and loss net of distribution to owners.

17 Related party transactions**Transactions with group companies**

The company has taken advantage of the disclosure exemption relating to section 33.1A of the standard, with regards to the requirement of disclosing transactions with fellow group entities. Group balances are shown in notes 11, 12 and 13.

Other related parties

During the year, interest of £1,420,450 was accrued in respect of loan notes issued to Mayfair Equity Partners LLP, a minority shareholder of the company's intermediate parent company, Pack-a-Punch Topco Limited. The loan notes and accrued interest were repaid during the year, totalling £50,332,179. The amount outstanding at 31 March 2022 was £nil.

During the year, interest of £209,201 was accrued in respect of management loan notes, out of which £172,594 was accrued in respect of loan notes held by directors of the company. The loan notes and accrued interest were repaid during the year, totalling £7,412,811. The amount outstanding at 31 March 2022 was £nil.

HADLEE MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

18 Ultimate controlling party

The company is controlled by its immediate parent company Hadlee Holdco Limited, a company incorporated in Guernsey.

The smallest group in which the company's results are consolidated, and the largest group in which the company's results are consolidated whose financial statements are publicly available, is that for the group headed by Pack-a-Punch Topco Limited. Copies of the consolidated financial statements can be obtained from its registered office The Cube, Coe Street, Bolton, England, BL3 6BU.

The largest group in which the company's results are consolidated is that for the group headed by EQT Mid Market Europe Limited Partnership. Its registered office is Cornelis Schuytstraat 74 1071. JI, Amsterdam, Netherlands.

The directors consider the ultimate controlling party to be EQT AB, a company incorporated in Sweden, through its Mid Market Europe Fund.