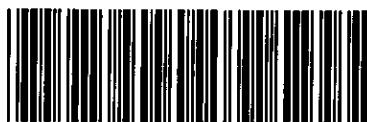


Company Registration No. 12319873 (England and Wales)

HADLEE MIDCO LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023

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HADLEE MIDCO LIMITED

COMPANY INFORMATION

Directors	<i>I Bagdanaviciute</i>	<i>(Appointed 23 January 2023)</i>
	<i>P Doble</i>	<i>(Appointed 23 January 2023)</i>
	<i>JB Greenbury</i>	<i>(Resigned 12 March 2023)</i>
	<i>S Shaw</i>	<i>(Resigned 12 March 2023)</i>

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 2023

The directors present the strategic report for the year ended 31 March 2023.

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.

The Company's core business is that of a holding company. 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 intermediate 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



.....
I Bagdanaviciute

Director

23/8/2023

Date:

HADLEE MIDCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and the audited financial statements of the company for the year ended 31 March 2023.

Principal activities

The principal activity of the company during the year was that of a holding company.

Directors

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

I Bagdanaviciute	(Appointed 23 January 2023)
P Doble	(Appointed 23 January 2023)
JB Greenbury	(Resigned 12 March 2023)
D Shaw	(Resigned 12 March 2023)

Results and dividends

The results for the year are set out on page 8.

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 business is going through a cycle of investment into its core technology but has substantial flexibility when it comes to liquidity and held stable 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 shareholders and lenders. 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 2023

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

Irene Bagdanaviciute

I Bagdanaviciute

Director

23/8/2023

Date:

HADLEE MIDCO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

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 2023, which comprise the statement of comprehensive income, the statement of financial position, the 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 2023 and of its profit 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 the impact of rising inflation and interest rates, 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.

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

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

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

Other information

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

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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

As explained more fully in the directors' responsibilities statement set out on page 4, 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.

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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. 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 engagement partner's 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;
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- 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.

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.

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

24/8/2023

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HADLEE MIDCO LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £000	2022 £000
Administrative expenses		(3)	(689)
Operating loss		(3)	(689)
Interest receivable and similar income	5	6,174	5,680
Interest payable and similar expenses	6	(5,676)	(5,844)
Profit/(loss) before taxation		495	(853)
Tax on profit/(loss)	7	-	-
Profit/(loss) for the financial year		495	(853)

There was no other comprehensive income in the year.

The notes on pages 11 to 22 are an integral part of these financial statements.

Company Registration No. 12319873

HADLEE MIDCO LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2023**

	Notes	2023 £000	2022 £000
Fixed assets			
Investments	8	-	-
Current assets			
Debtors	10	66,860	60,686
Creditors: amounts falling due within one year	11	<u>(67,166)</u>	<u>(61,521)</u>
Net current liabilities		(306)	<u>(835)</u>
Total assets less current liabilities		(306)	<u>(835)</u>
Creditors: amounts falling due after more than one year	12	<u>(373)</u>	<u>(339)</u>
Net liabilities		<u>(679)</u>	<u>(1,174)</u>
Capital and reserves			
Called up share capital	14	-	-
Profit and loss reserves	15	<u>(679)</u>	<u>(1,174)</u>
Total equity		<u>(679)</u>	<u>(1,174)</u>

23/8/2023

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



.....
I Bagdanaviciute
Director

The notes on pages 11 to 22 are an integral part of these financial statements.

HADLEE MIDCO LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 MARCH 2023**

	Share capital	Profit and loss reserves	Total
	£000	£000	£000
Balance at 1 April 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)
Year ended 31 March 2023:			
Profit and total comprehensive income for the year	-	495	495
Balance at 31 March 2023	-	(679)	(679)

The notes on pages 11 to 22 are an integral part of these financial statements.

HADLEE MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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, England, 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.

HADLEE MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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 31 March 2025. 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 liquidity and 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 either have sufficient profitability to meet its covenant requirements or will need to exercise the covenant cure options available to the Group and will retain sufficient liquidity to meet debt obligations and fund operations during the forecast period.

The Directors note the net current liabilities and net liabilities position of the company at the balance sheet date and that the business is going through a cycle of investment into its core technology but has substantial flexibility when it comes to liquidity and held stable 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 shareholders and lenders. 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 2023

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 2023

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 2023

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 year. 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 year. Differences between contributions payable in the year 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 2023****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 Employees

The average monthly number of persons (including directors) employed by the company during the year was 0 (2022: 0).

4 Auditor's remuneration

	2023	2022
	£000	£000
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the company	<u>2</u>	<u>2</u>
For other services		
Taxation compliance services	<u>2</u>	<u>2</u>

HADLEE MIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****5 Interest receivable and similar income**

	2023	2022
	£000	£000
Interest receivable from group companies	6,174	5,680
	<u>6,174</u>	<u>5,680</u>

6 Interest payable and similar expenses

	2023	2022
	£000	£000
Loan note interest	-	2,881
Interest payable to group companies	5,676	2,963
	<u>5,676</u>	<u>5,844</u>

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

7 Taxation

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

	2023	2022
	£000	£000
Profit/(loss) before taxation	<u>495</u>	<u>(853)</u>
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00%	94	(162)
Tax effect of expenses that are not deductible in determining taxable profit	-	635
Group relief	<u>(94)</u>	<u>(473)</u>
Taxation charge for the year	<u>-</u>	<u>-</u>

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, and in the Autumn Statement in November 2022 the government confirmed the increase in corporation tax to 25% from 1 April 2023 will go ahead, therefore the 25% rate is applicable in the measurement of deferred tax assets and liabilities at 31 March 2023, being the rate at which temporary differences are expected to reverse.

HADLEE MIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****8 Fixed asset investments**

	2023	2022
	£	£
Investments in subsidiaries	<u>1</u>	<u>1</u>
Movements in fixed asset investments		
		Shares in group undertakings £
Cost or valuation		
At 1 April 2022 and 31 March 2023		<u>1</u>
Carrying amount		
At 31 March 2023		<u>1</u>
At 31 March 2022		<u>1</u>

HADLEE MIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****9 Subsidiaries**

Details of the company's subsidiaries at 31 March 2023 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 Ltd	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	1A Parklands, Lostock, Bolton, England, BL6 4SD	Activities of head office	Ordinary	-	100.00
Parcel Monkey Holdings Limited	Unit 620 Fareham Reach, Fareham Road, Gosport, England, PO13 0FW	Provision of management services	Ordinary	-	100.00
Parcel Monkey Limited	Unit 620 Fareham Reach, Fareham Road, Gosport, England, PO13 0FW	Online parcel delivery services	Ordinary	-	100.00
Cloud Fulfilment Limited	Unit 620 Fareham Reach, Fareham Road, Gosport, England, PO13 0FW	e-Commerce fulfilment services	Ordinary	-	100.00
Parcel Monkey SAS	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 2023****10 Debtors**

	2023	2022
	£000	£000
Amounts falling due within one year:		
Amounts owed by group undertakings	59,487	53,974
	<u>59,487</u>	<u>53,974</u>

Amounts owed by group undertakings shown above are unsecured, repayable on demand and carry interest of 0% on £186k (2022: £186k) and 10% on £59,301k (2022: £53,788k).

	2023	2022
	£000	£000
Amounts falling due after more than one year:		
Amounts owed by group undertakings	7,373	6,712
	<u>7,373</u>	<u>6,712</u>
Total debtors	<u>66,860</u>	<u>60,686</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. £7,287k of the loan notes is repayable in December 2026, and £86k is repayable in December 2031.

11 Creditors: amounts falling due within one year

	2023	2022
	£000	£000
Amounts owed to group undertakings	67,166	61,521
	<u>67,166</u>	<u>61,521</u>

Amounts due to group undertakings shown above are unsecured, repayable on demand and carry interest of 0% on £3k (2022: £nil), 10% on £1,021k (2022: £926k), and of the group's external cost of borrowing plus 1% on £66,142k (2022: £60,595k).

12 Creditors: amounts falling due after more than one year

	2023	2022
	£000	£000
Amounts owed to group undertakings	373	339
	<u>373</u>	<u>339</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. £287k of the loan notes is repayable in December 2026, and £86k is repayable in December 2031.

HADLEE MIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****13 Borrowings**

	2023	2022
	£000	£000
Loan notes	373	339
Payable within one year	-	-
Payable within two to five years	287	261
Payable after five years	86	78

14 Share capital

	2023	2022
	£	£
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.

15 Purpose of reserves

Reserves of the company represent the following:

Profit and loss account

Cumulative profit and loss net of distribution to owners.

16 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 10, 11 and 12.

Other related parties

During the prior 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 prior year, totalling £50,332,179. The amount outstanding at 31 March 2023 and 31 March 2022 was therefore £nil.

During the prior 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 prior year, totalling £7,412,811. The amount outstanding at 31 March 2023 and 31 March 2022 was therefore £nil.

HADLEE MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 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.

Company Registration No. 12320127 (England and Wales)

HADLEE BIDCO LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023



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HADLEE BIDCO LIMITED

COMPANY INFORMATION

Directors	I Bagdanaviciute	(Appointed 23 January 2023)
	P Doble	(Appointed 23 January 2023)
	JB Greenbury	(Resigned 12 March 2023)
	S Shaw	(Resigned 12 March 2023)

Company number 12320127

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 BIDCO LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present the strategic report for the year ended 31 March 2023.

Review of the business and key performance indicators

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

The Company's core business is that of a holding company. 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 intermediate 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



I Bagdanaviciute
Director

23/8/2023
Date:

HADLEE BIDCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and the audited financial statements of the company for the year ended 31 March 2023.

Principal activities

The principal activity of the company is that of a holding company.

Directors

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

I Bagdanaviciute	(Appointed 23 January 2023)
P Doble	(Appointed 23 January 2023)
JB Greenbury	(Resigned 12 March 2023)
S Shaw	(Resigned 12 March 2023)

Results and dividends

The results for the year are set out on page 8.

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 business is going through a cycle of investment into its core technology but has substantial flexibility when it comes to liquidity and held stable 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 shareholders and lenders. 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 BIDCO LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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



.....
I Bagdanaviciute
Director

23/8/2023

Date:

HADLEE BIDCO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

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 Bidco Limited

Opinion

We have audited the financial statements of Hadlee Bidco Limited (the 'company') for the year ended 31 March 2023, which comprise the statement of comprehensive income, the statement of financial position, the 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 2023 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 the impact of rising inflation and interest rates, 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.

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

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

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

Other information

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

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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

As explained more fully in the directors' responsibilities statement set out on page 4, 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.

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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. 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 engagement partner's 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;
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- 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.

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.

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

24/8/2023

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HADLEE BIDCO LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £000	2022 £000
Turnover	3	-	628
Cost of sales		-	(245)
Gross profit		-	383
Administrative expenses		(4)	(686)
Operating loss		(4)	(303)
Interest receivable and similar income	7	8	3
Interest payable and similar expenses	8	(6,356)	(6,074)
Loss before taxation		(6,352)	(6,374)
Tax on loss	9	146	-
Loss for the financial year		(6,206)	(6,374)

There was no other comprehensive income in the year.

The notes on pages 11 to 24 are an integral part of these financial statements.

Company Registration No. 12320127

HADLEE BIDCO LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2023**

		2023		2022	
	Notes	£000	£000	£000	£000
Fixed assets					
Investments	10		66,991		66,991
Current assets					
Debtors	12	1,828		1,661	
Cash at bank and in hand		-		13	
		<u>1,828</u>		<u>1,674</u>	
Creditors: amounts falling due within one year	13	<u>(78,105)</u>		<u>(72,406)</u>	
Net current liabilities			<u>(76,277)</u>		<u>(70,732)</u>
Total assets less current liabilities			<u>(9,286)</u>		<u>(3,741)</u>
Creditors: amounts falling due after more than one year	14		<u>(7,373)</u>		<u>(6,712)</u>
Net liabilities			<u>(16,659)</u>		<u>(10,453)</u>
Capital and reserves					
Called up share capital	17		-		-
Profit and loss reserves	19		<u>(16,659)</u>		<u>(10,453)</u>
Total equity			<u>(16,659)</u>		<u>(10,453)</u>

23/8/2023

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



.....
I Bagdanaviciute
Director

The notes on pages 11 to 24 are an integral part of these financial statements.

HADLEE BIDCO LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

	Share capital	Profit and loss reserves	Total
	£000	£000	£000
Balance at 1 April 2021	-	(4,079)	(4,079)
Year ended 31 March 2022:			
Loss and total comprehensive income for the year	-	(6,374)	(6,374)
Balance at 31 March 2022	-	(10,453)	(10,453)
Year ended 31 March 2023:			
Loss and total comprehensive income for the year	-	(6,206)	(6,206)
Balance at 31 March 2023	-	(16,659)	(16,659)

The notes on pages 11 to 24 are an integral part of these financial statements.

HADLEE BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Hadlee Bidco 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 Bidco Limited is a wholly owned subsidiary of Hadlee Midco Limited, a company incorporated in the United Kingdom, and the results of Hadlee Bidco 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, England, 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.

HADLEE BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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 31 March 2025. 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 liquidity and 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 either have sufficient profitability to meet its covenant requirements or will need to exercise the covenant cure options available to the Group and will retain sufficient liquidity to meet debt obligations and fund operations during the forecast period.

The Directors note the net current liabilities and net liabilities position of the company at the balance sheet date and that the business is going through a cycle of investment into its core technology but has substantial flexibility when it comes to liquidity and held stable 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 shareholders and lenders. 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.

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.

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.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

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 BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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 BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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 BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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 year. 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 year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

HADLEE BIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****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 Turnover and other revenue

All of the company's turnover is generated from its principal activity and in the United Kingdom.

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was 0 (2022: 2).

Their aggregate remuneration comprised:

	2023	2022
	£000	£000
Wages and salaries	-	746
Social security costs	-	101
Pension costs	-	2
	<u>-</u>	<u>849</u>

HADLEE BIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****5 Directors' remuneration**

	2023	2022
	£000	£000
Remuneration for qualifying services	-	746
Company pension contributions to defined contribution schemes	-	2
	<u>-</u>	<u>748</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022
	£000
Remuneration for qualifying services	271
Company pension contributions to defined contribution schemes	<u>-</u>

The aggregate directors' remuneration in the year did not exceed £200,000, and the remuneration paid to the highest paid director has therefore not been disclosed in respect of the current year.

In the prior year, there were pension contributions of £nil in respect of the highest paid director.

Included in other creditors at 31 March 2023 are retirement benefits accruing to directors of £nil (2022: £nil). The above pension cost represents a recharge of pension costs from another group company which operates a defined contribution pension scheme for all qualifying employees.

6 Auditor's remuneration

	2023	2022
	£000	£000
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the company	<u>2</u>	<u>2</u>
For other services		
Taxation compliance services	<u>2</u>	<u>2</u>

7 Interest receivable and similar income

	2023	2022
	£000	£000
Interest receivable from group companies	<u>8</u>	<u>3</u>

HADLEE BIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****8 Interest payable and similar expenses**

	2023	2022
	£000	£000
Interest on bank overdrafts and loans	-	168
Loan note interest	661	680
Interest payable to group companies	5,695	5,226
	<u>6,356</u>	<u>6,074</u>

Bank loan interest was charged at 3.5% above LIBOR per annum in the prior year. The company's bank loans were repaid in July 2021, therefore the total outstanding bank loan balance at 31 March 2023 and 31 March 2022 was £nil.

Loan note interest is charged on loan notes held with the company's immediate parent and is charged at 10% per annum.

9 Taxation

	2023	2022
	£000	£000
Deferred tax		
Origination and reversal of timing differences	<u>(146)</u>	<u>-</u>

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

	2023	2022
	£000	£000
Loss before taxation	<u>(6,352)</u>	<u>(6,374)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00%	(1,207)	(1,211)
Tax effect of expenses that are not deductible in determining taxable profit	455	215
Group relief	752	996
Adjust deferred tax to average rate	<u>(146)</u>	<u>-</u>
Taxation credit for the year	<u>(146)</u>	<u>-</u>

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, and in the Autumn Statement in November 2022 the government confirmed the increase in corporation tax to 25% from 1 April 2023 will go ahead, therefore the 25% rate is applicable in the measurement of deferred tax assets and liabilities at 31 March 2023, being the rate at which temporary differences are expected to reverse.

HADLEE BIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****10 Fixed asset investments**

	2023	2022
	£000	£000
Investments in subsidiaries	66,991	66,991

Movements in fixed asset investments

	Shares in group undertakings £000
Cost or valuation	
At 1 April 2022 and 31 March 2023	66,991
Carrying amount	
At 31 March 2023	66,991
At 31 March 2022	66,991

HADLEE BIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****11 Subsidiaries**

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
P2G.com Worldwide Limited	The Cube, Coe Street, Bolton, BL3 6BU	Holding company	Ordinary	100.00	-
ASB Trading Ltd	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	1A Parklands, Lostock, Bolton, England, BL6 4SD	Activities of head office	Ordinary	-	100.00
Parcel Monkey Holdings Limited	Unit 620 Fareham Reach, Fareham Road, Gosport, England, PO13 0FW	Provision of management services	Ordinary	-	100.00
Parcel Monkey Limited	Unit 620 Fareham Reach, Fareham Road, Gosport, England, PO13 0FW	Online parcel delivery services	Ordinary	-	100.00
Cloud Fulfilment Limited	Unit 620 Fareham Reach, Fareham Road, Gosport, England, PO13 0FW	e-Commerce fulfilment services	Ordinary	-	100.00
Parcel Monkey SAS	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 BIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****12 Debtors**

	2023	2022
	£000	£000
Amounts falling due within one year:		
Amounts owed by group undertakings	1,596	1,583
	<u>1,596</u>	<u>1,583</u>

Amounts due from group undertakings are repayable on demand and are free of interest.

	2023	2022
	£000	£000
Amounts falling due after more than one year:		
Amounts owed by group undertakings	86	78
Deferred tax asset (note 16)	146	-
	<u>232</u>	<u>78</u>
Total debtors	<u>1,828</u>	<u>1,661</u>

Amounts due from group undertakings carry interest of 10% per annum and are repayable in December 2031.

13 Creditors: amounts falling due within one year

	2023	2022
	£000	£000
Amounts owed to group undertakings	78,105	72,406
	<u>78,105</u>	<u>72,406</u>

Amounts due to group undertakings shown above are unsecured, repayable on demand and carry interest of 0% on £14,578k (2022: £14,575k), 5% on £4,248k (2022: £4,066k) and 10% on £59,279k (2022: £53,765k).

14 Creditors: amounts falling due after more than one year

	2023	2022
	£000	£000
Amounts owed to group undertakings	7,373	6,712
	<u>7,373</u>	<u>6,712</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. £7,287k is repayable in December 2026, and £86k is repayable in December 2031.

HADLEE BIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****15 Borrowings**

	2023	2022
	£000	£000
Loan notes	7,373	6,712
Payable within one year	-	-
Payable within two to five years	7,287	6,634
Payable after five years	86	78

16 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets	Assets
	2023	2022
	£000	£'000
Balances:		
Losses and other deductions	146	-
Movements in the year:		2023
		£000
Asset at 1 April 2022		-
Credit to statement of comprehensive income		146
Asset at 31 March 2023		146

17 Share capital

	2023	2022
	£	£
Ordinary share capital		
Issued and fully paid		
1 Ordinary shares of £1 each	1	1

The shares have full voting, dividend and capital distribution rights allocated to them.

HADLEE BIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****18 Retirement benefit schemes**

	2023	2022
	£000	£000
Defined contribution schemes		
Charge to statement of comprehensive income in respect of defined contribution schemes	-	2

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions totalling £nil (2022: £nil) were payable to the fund at the year end.

19 Purpose of reserves

Reserves of the company represent the following:

Profit and loss account

Cumulative profit and loss net of distribution to owners.

20 Financial commitments, guarantees and contingent liabilities

The Company acts as a guarantor in respect of borrowings under a senior facilities agreement (SFA) between Pack-a-Punch Bidco Limited, an intermediate parent of the Company, and a group of lenders (the Lenders), with Wilmington Trust (London) Limited acting as the Security Agent. At 31 March 2023, the outstanding borrowings subject to this guarantee were £69.5m (2022: £68m).

21 Related party transactions**Transactions with related parties****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 12, 13 and 14.

Other related parties

During the year the company paid £nil (2022: £116k) in respect of monitoring fees to Mayfair Equity Partners LLP who is a minority shareholder of the company's intermediate parent company, Pack-a-Punch Topco Limited. The amount outstanding at 31 March 2023 was £nil (2022: £nil).

HADLEE BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

22 Ultimate controlling party

The company is controlled by its immediate parent company Hadlee Midco Limited, a company incorporated in England and Wales.

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.

PACK-A-PUNCH TOPCO LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023



PACK-A-PUNCH TOPCO LIMITED

COMPANY INFORMATION

Directors	I Bagdanaviciute	(Appointed 23 January 2023)
	P Doble	(Appointed 23 January 2023)
	E Barlow	(Resigned 7 February 2023)
	K Dasgupta	
	V Englesson	
	JB Greenbury	
	D Kelly	(Appointed 30 November 2022)
	S Lindner	(Resigned 7 June 2023)
	JP Medina Zapiain	(Appointed 7 June 2023)
	D Post	
	S Shaw	(Resigned 12 March 2023)

Company number 13451362

Registered office The Cube
Coe Street
Bolton
England
BL3 6BU

Independent Auditor Grant Thornton UK LLP
Landmark
St Peters Square
1 Oxford Road
Manchester
M1 4PB

PACK-A-PUNCH TOPCO LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present the strategic report for the year ended 31 March 2023.

Review of the business and key performance indicators

Pack-a-Punch Topco Limited was incorporated on 11 June 2021 to facilitate the investment in the business by EQT AB's Mid Market Europe Fund. To facilitate the transaction, Pack-a-Punch Topco Limited, Pack-a-Punch Midco Limited and Pack-a-Punch Bidco Limited were established. Pack-a-Punch Bidco Limited, a wholly owned subsidiary of the Company, acquired 100% of the share capital in Hadlee Holdco Limited and its subsidiaries, including Parcel2Go.com Limited ('Parcel2Go') in July 2021.

Parcel2Go is the UK's leading parcel delivery comparison website and provider of parcel delivery technology, serving over 2 million customers in the year.

The Group is pleased to announce its results for the year ended 31 March 2023. The previous period consolidated the group's results from 15 July 2021 to 31 March 2022.

Period ended 31 March	2023 £'000	2022 £'000	Percentage change
Gross revenue*	170,722	101,699	67.9%
Statutory revenue	108,880	80,982	34.4%
Gross profit	20,726	14,439	43.5%
Gross margin	19.0%	17.8%	1.2%
EBITDA before exceptional items	4,142	3,072	34.8%
EBITDA% before exceptional items	3.8%	3.8%	0.0%
Net cash in Bank	4,417	4,609	-4.2%

**An element of our Gross Revenue is not reflected in our Statutory Revenue due to the nature of certain carrier agreements, however management considers increases in gross revenue to be a key performance measure.*

2023 was a pleasing year Gross revenue wise as it increased by 67.9% in the year (2022: £102m). This reflects the strengthening and growth of our White Label solutions, including organic growth of existing websites, as well as new business contribution. 2023 additionally shows post-Covid recovery in annual growth rates. Moreover, 2022 has partial in-year contribution from the acquisitions executed during the financial period, positively impacting growth rates. The Group's market share in its core market remained high.

2023 saw a successful year for Gross margin which increased by 120bps in the year (2022: 17.8%). Improvement in profitability is reflective of strong partnerships with our customers and suppliers, efficient cost management, and commercial agility. The Group is highly focused on profitability and cash generation.

The Group incurred exceptional costs of £88.9m in the year (2022: £4,078k) relating to an impairment of the Group's goodwill as a result of general economic conditions and increased competitive environment. Excluding exceptional costs, EBITDA (earnings before interest, tax, depreciation, and amortisation) was £4,142k, an increase of 34.8% compared to the previous period. The EBITDA growth rate is supported by 2022 seeing partial in-year contribution from the acquisitions executed during the financial period. The EBITDA margin has remained stable at 3.8%.

During the year, the Group's cash balance fell slightly to £4.4m (2022: £4.6m) as a result of the Group's normal trading activities.

The Group has three core businesses:

- **Branded websites in the UK, Ireland and Spain, providing consumers and small businesses with access to a comprehensive range of domestic and international parcel and pallet delivery services at highly competitive prices.**
In the UK, its largest market, Parcel2Go offers a quick, easy and cost-efficient alternative for parcel delivery, disrupting the way consumers and micro businesses send parcels that would traditionally be sent via the Post Office.

PACK-A-PUNCH TOPCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Review of the business and key performance indicators (continued)

- **White label direct-to-consumer/SME websites hosted and operated on behalf of major couriers, marketplaces and other organisations in the UK and other markets.**
Parcel2Go provides its clients with access to customers and markets they are otherwise unable to reach and serve cost-effectively.
- **E-Commerce fulfilment services**
Cloud Fulfilment provides fulfilment services to e-Commerce businesses from its warehouse, strategically positioned between the two major ports of Southampton and Portsmouth and in close proximity to London.

The market share of the Company's branded and White Label businesses combined has remained strong in the year, although there have been a number of shifts in the overall market resulting in a change in the channel mix. Over the medium term our UK website, www.parcel2go.com, benefits from a trend towards increased adoption of e-commerce channels among consumers and SMEs, with our marketing and customer retention activity and continued investment in Customer Service and Technology reinforcing our strong market position. Our White Label business has benefitted from increased revenues from several of its major accounts as well as the addition of new white label customers.

Future developments

Parcel2Go is a cost-efficient business model operating at significant scale and in a highly efficient way. The model can be deployed to source and service business cost-effectively for the Company's own-brand sites or for White Label clients. It is well positioned to benefit from growth in e-commerce and the gradual erosion of Royal Mail's market share and, through its scale advantage, to continue to offer highly competitive pricing in all its markets. Directors anticipate the longer-term organic growth trends in the UK market will stabilise, alongside an increase in the number and volume of White Label operations in the UK and international markets.

Principal risks and uncertainties

The directors have assessed the main risks facing the group as being:

- **Increased competition**
The business operates in a highly competitive sector, but the directors consider continued investment, a focus on service quality and scale advantages will enable the business to retain its market-leading position.
- **Economic backdrop**
The business is closely linked to wider e-commerce performance, particularly focussed on consumers and smaller businesses, resulting in a level of volatility due to the current economic backdrop. Directors consider that a number of relevant steps are being taken to ensure that the Company is evaluating the wider economic climate. This includes a varied cost-efficient product offering, built-in customer service that provides our customers with strong value proposition, and efficiency at scale of our operations. The development of an extensive roadmap of initiatives will further enhance the core Parcel2Go propositions, improving customer experience, retention, and new customer conversion.
- **Financial Risk Management**
Group companies are party to guarantees in respect of the 3rd party borrowings of Pack-a-Punch Bidco Limited. The risks associated with these guarantees are mitigated by:
 - negotiating debt servicing terms and financial covenants with substantial headroom relative to the Group's financial forecasts; and
 - routinely monitoring actual and forecast headroom against the Group's obligations under the loan facilitiesThe Group has an exposure to movements in interest rates which affect the cost of the 3rd party borrowings referenced to above. This exposure is mitigated through the use of interest rate hedging instruments. The Company and Group have limited exposure to movements in foreign currency. The directors keep financial risks under review and monitor the exposures to price risk, credit risk, liquidity risk and cash flow risk to ensure that the exposure is maintained at a manageable level.

PACK-A-PUNCH TOPCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Principal risks and uncertainties (continued)

- **Liabilities to couriers**

Under its contracts with carriers, the Group is potentially liable for damages resulting from damage caused to people or property resulting from parcels incorrectly packaged or containing dangerous or illegal contents. This risk is mitigated by taking steps via the website to ensure that customers are aware of and follow the courier guidelines in relation to parcel packaging and contents, and through insurance.

Section 172(1) Statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the Group for the benefit of its members as a whole. In doing this, section 172 requires the directors to have regard to, amongst other matters:

- the likely consequences of any decisions in the long-term;
- the interests of the Group's employees;
- the need to foster the Group's business relationships with suppliers, customers and others;
- the impact of the Group's operations on the community and environment;
- the desirability of the Group maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between the members of the Group.

In discharging their section 172 duties, the Directors have regard to all the matters set out above. Authority for day to day management of the Group is delegated to an executive leadership team. The Directors are provided with information in a variety of formats to ensure they are able to discharge their Section 172 duties and engage with the executive team regularly in:

- setting, approving and executing business strategy, plans and policies;
- reviewing business performance;
- managing risk; and
- decisions relating to material business initiatives and other matters.

The Directors and executive team operate the business in a responsible manner with the aim of ensuring that the Group maintains a reputation for high standards of business conduct and good governance. The Group has policies in place in relation to conduct and standards, anti-bribery and corruption measures, equal opportunities and diversity, and modern slavery. The Group's statement on modern slavery can be found on the Group's website (www.parcel2go.com).

The Group's key stakeholders are its employees, customers, clients, suppliers and investors and the Directors have regard to the views of all these stakeholders in their decision making. Engagement with these stakeholders occurs through various channels, including:

- **Employees:** the Group systematically provides employees with information on matters of concern to them, consulting them or their representatives on a regular basis to ensure that their views can be taken into account when making decisions that are likely to affect their interests. The Group acknowledges that achieving a common awareness on the part of all employees of the financial and economic factors affecting the Group plays a major role in maintaining its competitive advantage, and therefore provides employees with regular briefings on performance and other matters. The Group encourages employee involvement, for example by operating equity incentive schemes which allow employees of the Group who meet eligibility criteria to participate in the growth value of the business. The Group further encourages employee involvement through regular communication and meetings, and one-on-one coaching and development provided through line management.

PACK-A-PUNCH TOPCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Section 172(1) Statement (Continued)

- **Customers:** customers of the Group's price comparison sites benefit from a wide product range at highly competitive prices. Customers are encouraged to provide feedback which forms a key performance indicator for the business and informs IT development activity intended to improve user-experience.
- **Clients:** the Group maintains close relationships with its white label clients through open and transparent relationships, dedicated account management and regular meetings. Contract terms ensure that the interests of the Group and its Clients are closely aligned.
- **Suppliers:** the Group's key suppliers are the couriers offering product through its websites. The Group provides these couriers with cost effective access to segments of the market which they otherwise find difficult to reach. The Group maintains close relationships with its carriers through regular feedback and periodic meetings. Contract terms ensure that the interests of the Group and its suppliers are closely aligned.
- **Investors:** the Group's ultimate controlling party is EQT AB ('EQT'). The Directors regularly attend meetings with EQT and other investors to brief them on Group performance and material business initiatives.

Outside the day-to-day operation of the business, the principal decision taken by the board during the year ended 31 March 2023 was to enter a strategic two-year partnership with a third party to accelerate the digital offering of the Group.

The decision to enter this partnership was taken to allow for long term future growth of the Group including building longstanding capability through continuous upskilling and innovation, accelerating the Group's commercial growth, and providing a defined best-practice change management and prioritisation process.

On behalf of the board



.....
I Bagdanaviciute

Director

23/8/2023

Date:

PACK-A-PUNCH TOPCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and the audited financial statements of the group and company for the year ended 31 March 2023.

Principal activities

The principal activity of the company was the provision of management services. The principal activity of the group was the provision of online parcel delivery services.

Directors

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

I Bagdanaviciute	(Appointed 23 January 2023)
P Doble	(Appointed 23 January 2023)
E Barlow	(Resigned 7 February 2023)
K Dasgupta	
V Engleson	
JB Greenbury	
D Kelly	(Appointed 30 November 2022)
S Lindner	(Resigned 7 June 2023)
JP Medina Zapiain	(Appointed 7 June 2023)
D Post	
S Shaw	(Resigned 12 March 2023)

Results and dividends

The results for the year are set out on page 12.

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

Research and development

The group incurred research and development expenditure of £2,154k (2022: £553k).

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

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 31 March 2025. 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 liquidity and 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 either have sufficient profitability to meet its covenant requirements or will need to exercise the covenant cure options available to the Group and will retain sufficient liquidity to meet debt obligations and fund operations during the forecast period.

PACK-A-PUNCH TOPCO LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Going concern (Continued)

The Directors note the net current liabilities position of the Group and the net liabilities position of the Company and Group at the balance sheet date and that the business is going through a cycle of investment into its core technology but has substantial flexibility when it comes to liquidity and held stable cash balances throughout the period. The current cash funding requirements and forecasts prepared by management have given the directors a reasonable expectation that the Group and Company will have sufficient resources available to continue in operational existence for the foreseeable future, with the continued support of its shareholders and lenders. The Group's indirect lead investor, EQT Fund Management S.à r.l., acting in its capacity as manager of EQT Mid Market Europe Limited Partnership, have expressed *their commitment to continue to support the Group to meet its financial obligations for the period of at least 12 months following the signing of these accounts by providing a shareholder letter of support.* For these reasons, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Events after the reporting date

Subsequent to the year end, a Group company entered into a 10-year lease agreement to rent new office premises, with a 5-year break clause.

Disabled persons

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

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 group has chosen in accordance with Companies Act 2006, s.414C(11) to set out in the group'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.

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.

PACK-A-PUNCH TOPCO LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Carbon reporting

The group's energy consumption primarily relates to power required for light and computer equipment in its offices in Bolton, Malton, Chandlers Ford and Gosport. The group uses modern, energy-efficient computer hardware. Equipment and lights are turned off when not required.

A small number of employees (33 in the year ended 31 March 2023 (2022: 17)) use their vehicles for travel required by their roles. Employees are encouraged to travel to meetings by car only when absolutely necessary.

During the year, the group consumed 400,176 kWh (2022: 263,404kWh) of energy comprising 340,604kWh (2022: 252,223kWh) from electricity and natural gas and 59,572kWh (2022: 11,181kWh) from transport activities involving the consumption of fuel. Electricity consumption data has been extracted from the group's utility bills. Transport consumption has been derived from employee vehicle expense claims and converted into kWh using the UK Government's Greenhouse Gas reporting conversion factors for 2022.

These measures have been converted into Carbon Dioxide equivalent (CO₂e) emissions equating to 78.5 tonnes (2022: 54.6 tonnes) of CO₂e or 2.73g (2022: 4.52g) of CO₂e per parcel using the UK Government's Greenhouse Gas reporting conversion factors for 2022.

On behalf of the board



I Bagdanaviciute

Director

23/8/2023

Date:

PACK-A-PUNCH TOPCO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

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 and 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.*

Independent auditor's report to the members of Pack-a-Punch Topco Limited

Opinion

We have audited the financial statements of Pack-a-Punch Topco Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023, which comprise the Consolidated statement of comprehensive income, the Consolidated and Company Statements of financial position, the Consolidated and Company Statement of changes in equity, the Consolidated 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 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 group's and of the parent company's affairs as at 31 March 2023 and of the group's 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 group and the parent 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 group's and the parent 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 group or the parent company to cease to continue as a going concern.

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

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

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

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

Other information

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

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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of Pack-a-Punch Topco Limited (continued)

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 group and the parent company and their 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 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 set out on page 8, 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.

Independent auditor's report to the members of Pack-a-Punch Topco Limited (continued)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. 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 Parent Company and the Group, 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 Parent Company and the Group are 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 Parent Company and the Group'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 engagement partner's 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;
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- In assessing the potential risks of material misstatement, we obtained an understanding of; the Parent Company and the Group'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.

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.

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

24/8/2023

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PACK-A-PUNCH TOPCO LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 MARCH 2023**

		2023	11 June 2021 to 31 March 2022
	Notes	£'000	£'000
Turnover	3	108,880	80,982
<i>Cost of sales</i>		<u>(88,154)</u>	<u>(66,543)</u>
Gross profit		20,726	14,439
<i>Analysis of administrative expenses</i>			
Administrative expenses - normal		(44,919)	(30,395)
Administrative expenses - exceptional	4	<u>(88,874)</u>	<u>(4,078)</u>
Total administrative expenses		<u>(133,793)</u>	<u>(34,473)</u>
Other operating income		<u>280</u>	<u>100</u>
Operating loss	7	(112,787)	(19,934)
Interest receivable and similar income	9	1,102	-
Interest payable and similar expenses	10	<u>(25,416)</u>	<u>(15,991)</u>
Loss before taxation		(137,101)	(35,925)
Tax on loss	11	<u>1,131</u>	<u>1,688</u>
Loss for the financial year/period		<u>(135,970)</u>	<u>(34,237)</u>

Loss for the financial year is all attributable to the owners of the parent company.

There was no other comprehensive income in the year.

The notes on pages 18 to 42 are an integral part of these financial statements.

PACK-A-PUNCH TOPCO LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2023**

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Goodwill	12		73,548		181,962
Other intangible assets	12		68,922		73,284
Total intangible assets			142,470		255,246
Tangible assets	13		197		325
			142,667		255,571
Current assets					
Debtors	16	6,154		5,780	
Cash at bank and in hand		4,417		4,609	
		10,571		10,389	
Creditors: amounts falling due within one year	17	(20,135)		(18,623)	
Net current liabilities			(9,564)		(8,234)
Total assets less current liabilities			133,103		247,337
Creditors: amounts falling due after more than one year	18		(282,878)		(260,288)
Provisions for liabilities	20		(16,711)		(17,676)
Net liabilities			(166,486)		(30,627)
Capital and reserves					
Called up share capital	25		39		36
Share premium account	27		3,908		3,574
Other reserves	27		(226)		-
Profit and loss reserves	27		(170,207)		(34,237)
Total equity			(166,486)		(30,627)

23/8/2023

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



I Bagdanaviciute
Director

The notes on pages 18 to 42 are an integral part of these financial statements.

Company Registration No. 13451362

PACK-A-PUNCH TOPCO LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2023**

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Investments	14		138,102		184,940
Current assets					
Debtors	16	1,116		846	
Creditors: amounts falling due within one year	17	(466)		(91)	
Net current assets			650		755
Total assets less current liabilities			138,752		185,695
Creditors: amounts falling due after more than one year	18		(215,492)		(194,723)
Net liabilities			(76,740)		(9,028)
Capital and reserves					
Called up share capital	25		39		36
Share premium account	27		3,908		3,574
Other reserves	27		(226)		-
Profit and loss reserves	27		(80,461)		(12,638)
Total equity			(76,740)		(9,028)

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's loss for the period was £67,823k (2022: £12,638k loss).

23/8/2023

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



I Bagdanaviciute

Director

The notes on pages 18 to 42 are an integral part of these financial statements.

PACK-A-PUNCH TOPCO LIMITED**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 MARCH 2023**

	Share capital £'000	Share premium account £'000	Other reserves £'000	Profit and loss reserves £'000	Total £'000
Balance at 11 June 2021	-	-	-	-	-
Period ended 31 March 2022:					
Issue of share capital	36	3,574	-	-	3,610
Loss and total comprehensive income for the period	-	-	-	(34,237)	(34,237)
Balance at 31 March 2022	36	3,574	-	(34,237)	(30,627)
Year ended 31 March 2023:					
Issue of share capital	3	334	-	-	337
EBT purchase of company shares	-	-	(226)	-	(226)
Loss and total comprehensive income for the year	-	-	-	(135,970)	(135,970)
Balance at 31 March 2023	39	3,908	(226)	(170,207)	(166,486)

The notes on pages 18 to 42 are an integral part of these financial statements.

PACK-A-PUNCH TOPCO LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Share capital £'000	Share premium account £'000	Other reserves £'000	Profit and loss reserves £'000	Total £'000
Balance at 11 June 2021	-	-	-	-	-
Period ended 31 March 2022:					
Issue of share capital	36	3,574	-	-	3,610
Loss and total comprehensive income for the period		-	-	(12,638)	(12,638)
Balance at 31 March 2022	36	3,574	-	(12,638)	(9,028)
Year ended 31 March 2023:					
Issue of share capital	3	334	-	-	337
EBT purchase of company shares	-	-	(226)	-	(226)
Loss and total comprehensive income for the year	-	-	-	(67,823)	(67,823)
Balance at 31 March 2023	39	3,908	(226)	(80,461)	(76,740)

The notes on pages 18 to 42 are an integral part of these financial statements.

PACK-A-PUNCH TOPCO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

		2023	2022
	Notes	£'000	£'000
Cash flows from operating activities			
Cash generated from operations	28	7,418	877
Income taxes paid		(41)	(553)
Net cash inflow from operating activities		<u>7,377</u>	<u>324</u>
Investing activities			
Purchase of tangible fixed assets		(64)	(48)
Disposal of tangible fixed assets		96	-
Purchase of intangible fixed assets		(4,060)	(821)
Purchase of subsidiary undertakings		-	(188,310)
Cash acquired with subsidiary undertakings		-	17,153
Net cash used in investing activities		<u>(4,028)</u>	<u>(172,026)</u>
Financing activities			
Proceeds from issue of shares		270	3,610
Proceeds from issue of preference shares		-	181,599
Loan to related party		772	(772)
Proceeds from bank borrowings		1,500	68,048
Loan arrangement fees		-	(2,862)
Repayment of bank borrowings		-	(12,700)
Repayment of shareholder loan notes		-	(57,745)
EBT purchase of company shares		(226)	-
Interest paid		(5,857)	(2,867)
Net cash (used in)/from financing activities		<u>(3,541)</u>	<u>176,311</u>
Net (decrease)/increase in cash and cash equivalents		<u>(192)</u>	<u>4,609</u>
Cash and cash equivalents at beginning of period		<u>4,609</u>	<u>-</u>
Cash and cash equivalents at end of period		<u><u>4,417</u></u>	<u><u>4,609</u></u>

The notes on pages 18 to 42 are an integral part of these financial statements.

PACK-A-PUNCH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Pack-a-Punch Topco Limited ("the company") 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, England, BL3 6BU.

The group consists of Pack-a-Punch Topco Limited and all of its subsidiaries.

The company's and the group'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 £'000, except where otherwise indicated.

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

Reporting period

The financial statements for the company have been prepared for the year ended 31 March 2023. The previous period relates to the period from its incorporation date of 11 June 2021 to 31 March 2022.

The consolidated financial statements have been prepared for the year ended 31 March 2023. In the previous period the results of the company's subsidiary undertakings were incorporated from the date at which control was obtained, being 15 July 2021 for P2G.com Worldwide Limited and its subsidiary undertakings, and 22 November 2021 for Parcel Monkey Holdings Limited and its subsidiary undertakings.

PACK-A-PUNCH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

Basis of consolidation

The consolidated financial statements incorporate those of Pack-a-Punch Topco Limited and all of its subsidiaries (i.e. 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 period are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2023. 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.

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.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

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 31 March 2025. 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 liquidity and 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 either have sufficient profitability to meet its covenant requirements or will need to exercise the covenant cure options available to the Group and will retain sufficient liquidity to meet debt obligations and fund operations during the forecast period.

PACK-A-PUNCH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

The Directors note the net current liabilities position of the Group and the net liabilities position of the Company and Group at the balance sheet date and that the business is going through a cycle of investment into its core technology but has substantial flexibility when it comes to liquidity and held stable cash balances throughout the period. The current cash funding requirements and forecasts prepared by management have given the directors a reasonable expectation that the Group and Company will have sufficient resources available to continue in operational existence for the foreseeable future, with the continued support of its shareholders and lenders. The Group's indirect lead investor, EQT Fund Management S.à r.l., acting in its capacity as manager of EQT Mid Market Europe Limited Partnership, have expressed their commitment to continue to support the Group to meet its financial obligations for the period of at least 12 months following the signing of these accounts by providing a shareholder letter of support. For these reasons, the directors consider it appropriate to prepare the financial statements on a going concern basis.

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. Turnover is recognised at the point the parcel is delivered to the recipient.

Certain carrier arrangements involve transactions where the Group acts as agent and receives a commission. For these contracts, turnover is represented by the commissions, not the gross value of the transactions.

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 ten years.

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.

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 where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Software	25% straight line
IT development	20% straight line
Customer lists	10% straight line
Technology	10% straight line
Trademarks	10% straight line

PACK-A-PUNCH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

Tangible fixed assets

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

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

Leasehold Improvements	25% straight line
Plant and Machinery	25% reducing balance and 25% straight line
Fixtures and Fittings	25% reducing balance and 25% straight line
Equipment	25% straight line
Motor vehicles	25% reducing balance

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

Fixed asset investments

In the separate accounts of the company, 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 group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

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.

PACK-A-PUNCH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

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 are basic financial instruments 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.

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 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 trade and other 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

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.

PACK-A-PUNCH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

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

Basic financial liabilities, including trade and other creditors, bank loans, loan notes, 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.

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.

Derecognition of financial liabilities

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

Equity instruments

Equity instruments issued by the group 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 group.

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.

PACK-A-PUNCH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

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.

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

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 group 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.

Share-based payments

The group makes share-based payments to a third party in respect of services received. The share-based payment expense is recognised over the period in which the counterparty renders the services.

Equity-settled share-based payment transactions are measured at the fair value of the services received, with a corresponding increase in equity.

For cash-settled share-based payment transactions, the services received and the liability incurred are measured at the fair value of the liability. The fair value of the liability is remeasured at each reporting date, and any changes in fair value in the period are recognised in profit or loss.

PACK-A-PUNCH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leased asset are consumed.

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

Research and development

The group capitalises development expenditure as an intangible asset when it is able to demonstrate all of the following:

- a) The technical feasibility of completing the development so the intangible asset will be available for use and sale;
- b) Its intention to complete the development and to use or sell the intangible asset;
- c) Its ability to use or sell the intangible asset;
- d) How the intangible asset will generate future economic benefits;
- e) The availability of adequate technical, financial and other resources to complete the development and to use and sell the intangible asset; and
- f) Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Capitalised development expenditure is initially recognised at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment loss.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

RDEC tax credit

RDEC tax credits are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the conditions will be met and the tax credit will be received.

The tax credit receivable is recognised within other operating income.

PACK-A-PUNCH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Useful life of goodwill and intangible assets

Management have estimated the goodwill and intangible assets arising on business combinations to have a finite life of 10 years, based on the expected future benefits of the acquired business.

Impairment of goodwill and investments

Intangible assets, goodwill and investments are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is an indication of impairment, the carrying value of the asset is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. At the reporting date, indication of impairment of the Group's goodwill and the Company's investments existed as a result of general economic conditions and increased competitive environment. Management have therefore estimated the recoverable amount, being the higher of the fair value less costs to sell and the value in use. The recoverable amount is a source of significant estimation uncertainty. The recoverable amount was determined using a value in use calculation which required the use of assumptions, including the estimation of future cash flows and the selection of an appropriate discount rate in order to calculate the net present value of those cash flows. Management have estimated future cash flows based on financial budgets covering a five-year period, and cash flows beyond the five-year period have been extrapolated using an estimated growth rate of 3.5%. The impairment reviews have resulted in impairments of the Group's goodwill of £88.9m and of the Company's investment in subsidiaries of £47.7m.

Fair value of acquired assets

Management estimate the fair value of identifiable assets acquired as part of business combinations by considering the present value of the expected future economic benefits to be generated by the assets.

Classification of preference shares

Management have considered the terms and conditions attached to the company's preference shares, and have adopted an accounting policy to account for the preference shares as liabilities.

3 Turnover

The turnover and loss before tax are attributable to the one principal activity of the group.

All of the company's turnover is generated from its principal activity.

PACK-A-PUNCH TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****3 Turnover (Continued)**

	2023 £'000	2022 £'000
Turnover analysed by geographical market		
United Kingdom	104,855	76,502
Rest of the European Union	2,704	2,332
Rest of the world	1,321	2,148
	<u>108,880</u>	<u>80,982</u>

4 Exceptional costs

	2023 £'000	2022 £'000
Exceptional costs	<u>88,874</u>	<u>4,078</u>

The exceptional costs incurred in the year relate to an impairment of the Group's goodwill and have been charged to the statement of comprehensive income. The exceptional costs incurred in the prior period related to professional fees and staff bonuses paid in connection with the acquisition of Hadlee Holdco Limited in July 2021, and costs incurred by Parcel Monkey Holdings Limited in connection with a reorganisation of the Parcel Monkey Group prior to its sale.

5 Employees

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

	Group 2023 Number	Group 2022 Number
Number of administrative staff - full time	155	176
Number of administrative staff - part time	93	129
Number of management staff - full time	27	28
Number of management staff - part time	6	-
	<u>281</u>	<u>333</u>

Their aggregate remuneration comprised:

	Group 2023 £'000	Group 2022 £'000
Wages and salaries	8,767	6,627
Social security costs	940	926
Pension costs	182	113
	<u>9,889</u>	<u>7,666</u>

PACK-A-PUNCH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

5 Employees (Continued)

The average monthly number of persons (including directors) employed by the company during the period was 4 (2022: 2).

6 Directors' remuneration

	2023	2022
	£'000	£'000
Remuneration for qualifying services	1,515	934
Company pension contributions to defined contribution schemes	11	4
	<u>1,526</u>	<u>938</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2023	2022
	£'000	£'000
Remuneration for qualifying services	498	354
Company pension contributions to defined contribution schemes	-	1
	<u>-</u>	<u>1</u>

There were pension contributions of £nil (2022: £937) in respect of the highest paid director.

Included in other creditors at 31 March 2023 are retirement benefits accruing to directors of £4,616 (2022: £1,224).

7 Operating loss

	2023	2022
	£'000	£'000
Operating loss for the period is stated after charging:		
Exchange losses	25	4
Depreciation of owned tangible fixed assets	93	82
Amortisation of intangible assets	27,962	18,846
Impairment of intangible assets	88,874	-
Operating lease charges	313	132
Loss on disposal of tangible fixed assets	3	-
Bad debt expense	36	-
Share-based payments	889	-
	<u>889</u>	<u>-</u>

The Group incurred research and development expenditure of £2,154k (2022: £553k).

PACK-A-PUNCH TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****8 Auditor's remuneration**

	2023	2022
	£'000	£'000
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the group and company	28	32
Audit of the financial statements of the company's subsidiaries	97	97
	<u>125</u>	<u>129</u>
For other services		
Taxation compliance services	24	23
All other non-audit services	20	173
	<u>44</u>	<u>196</u>

9 Interest receivable and similar income

	2023	2022
	£'000	£'000
Gains on derivative financial instruments	1,102	-
	<u>1,102</u>	<u>-</u>

10 Interest payable and similar expenses

	2023	2022
	£'000	£'000
Interest on bank overdrafts and loans	5,854	2,857
Hire purchase interest	3	6
Preference shares interest	19,559	13,124
Other interest payable	-	4
	<u>25,416</u>	<u>15,991</u>

Bank loan interest was charged at between 5.75% and 6.00% above SONIA per annum. The total outstanding bank loan balance at 31 March 2023 was £69,548k (2022: £68,048k).

Preference shares interest is accrued on the company's preference shares at a rate of 10% per annum.

PACK-A-PUNCH TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****11 Taxation**

	2023 £'000	2022 £'000
Current tax		
UK corporation tax on losses for the current period	5	(200)
Adjustments in respect of prior periods	(34)	(124)
Total current tax	<u>(29)</u>	<u>(324)</u>
Deferred tax		
Origination and reversal of timing differences	(1,102)	(1,367)
Changes in tax rates	-	3
Total deferred tax	<u>(1,102)</u>	<u>(1,364)</u>
Total tax credit	<u>(1,131)</u>	<u>(1,688)</u>

The total tax credit 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:

	2023 £'000	2022 £'000
Loss before taxation	<u>(137,101)</u>	<u>(35,925)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00%	(26,049)	(6,826)
Tax effect of expenses that are not deductible in determining taxable profit	26,281	6,356
Adjustments in respect of prior periods	(34)	(124)
Losses carried back	-	93
Other permanent differences	-	(83)
Other differences/deduction for R&D expenditure	(7)	(17)
Adjust deferred tax to average rate	(1,320)	(1,083)
Fixed asset differences	(2)	(4)
Taxation credit	<u>(1,131)</u>	<u>(1,688)</u>

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, and in the Autumn Statement in November 2022 the government confirmed the increase in corporation tax to 25% from 1 April 2023 will go ahead, therefore the 25% rate is applicable in the measurement of deferred tax assets and liabilities at 31 March 2023, being the rate at which temporary differences are expected to reverse.

PACK-A-PUNCH TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****12 Intangible fixed assets**

Group	Goodwill	Customer lists	Trademarks	Technology	Software	IT development	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 April 2022	195,469	35,733	19,036	22,775	108	971	274,092
Additions	-	-	-	-	40	4,020	4,060
At 31 March 2023	195,469	35,733	19,036	22,775	148	4,991	278,152
Amortisation and impairment							
At 1 April 2022	13,507	2,377	1,292	1,570	7	93	18,846
Amortisation charged for the year	19,540	3,567	1,900	2,281	49	625	27,962
Impairment losses	88,874	-	-	-	-	-	88,874
At 31 March 2023	121,921	5,944	3,192	3,851	56	718	135,682
Carrying amount							
At 31 March 2023	73,548	29,789	15,844	18,924	92	4,273	142,470
At 31 March 2022	181,962	33,356	17,744	21,205	101	878	255,246

The company had no intangible fixed assets at 31 March 2023 and 31 March 2022.

The Group's goodwill has been impaired by £88.9m in the year as a result of general economic conditions and increased competitive environment. The impairment loss has been recognised in the 'Administrative expenses – exceptional' line in the statement of comprehensive income.

The individual intangible assets, excluding goodwill, which are material to the financial statements are:

	Carrying amount		Remaining amortisation period	
	2023 £000	2022 £000	2023 Years	2022 Years
Customer lists				
Parcel2Go	26,018	29,149	8.3	9.3
Parcel Monkey and Cloud Fulfilment	3,771	4,207	8.6	9.6
Trademarks				
Parcel2Go	14,460	16,199	8.3	9.3
Parcel Monkey and Cloud Fulfilment	1,384	1,545	8.6	9.6
Technology				
Parcel2Go	17,878	20,038	8.3	9.3
Parcel Monkey and Cloud Fulfilment	1,046	1,167	8.6	9.6
IT development	4,273	878	4.0	4.5

PACK-A-PUNCH TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****12 Intangible fixed assets (Continued)**

In connection with the acquisition of Hadlee Holdco Limited and its subsidiaries (including Parcel2Go.com Limited) in July 2021, and the acquisition of Parcel Monkey Holdings Limited and its subsidiaries (including Parcel Monkey Limited and Cloud Fulfilment Limited) in November 2021, intangible fixed assets were recognised in respect of the fair values of the Customer lists, Trademarks and Technology acquired.

The Customer lists allow the Group to leverage the acquired customer databases and attached data sets resulting in high customer satisfaction and retention rates.

The Trademarks and associated brands acquired have strong customer recognition, building brand awareness and driving traffic to the Group's websites, generating future growth.

The Technology relates to the proprietary platforms built and operated in-house by a dedicated development team, giving the business ownership over serving its customers through its own websites, whilst also outsourcing the technological solution to White Label clients.

The capitalised IT development expenditure relates to a variety of projects to improve the Group's technological capabilities that help enhance customer retention, growth, and acquisition, and improvements to the Group's technological framework resulting in an efficient and scalable platform. Development continues each year.

13 Tangible fixed assets

Group	Leasehold improvements	Fixtures and Fittings	Equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2022	69	63	142	133	407
Additions	3	2	59	-	64
Disposals	-	-	-	(133)	(133)
At 31 March 2023	72	65	201	-	338
Depreciation and impairment					
At 1 April 2022	15	7	29	31	82
Depreciation charged in the year	21	16	53	3	93
Eliminated in respect of disposals	-	-	-	(34)	(34)
At 31 March 2023	36	23	82	-	141
Carrying amount					
At 31 March 2023	36	42	119	-	197
At 31 March 2022	54	56	113	102	325

The company had no tangible fixed assets at 31 March 2023 and 31 March 2022.

PACK-A-PUNCH TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****14 Fixed asset investments**

	Notes	Group 2023 £'000	Company 2023 £'000	Group 2022 £'000	Company 2022 £'000
Investments in subsidiaries	15	-	138,102	-	184,940
Movements in fixed asset investments					
Company					Shares in group undertakings £'000
Cost or valuation					
At 1 April 2022					184,940
Additions					889
At 31 March 2023					185,829
Impairment					
At 1 April 2022					-
Impairment losses					47,727
At 31 March 2023					47,727
Carrying amount					
At 31 March 2023					138,102
At 31 March 2022					184,940

The addition in the year relates to a contribution to a subsidiary company in relation to share-based payments.

The Company's investment in subsidiaries has been impaired by £47.7m in the year as a result of general economic conditions and increased competitive environment. The impairment loss has been recognised in the 'Administrative expenses – exceptional' line in the statement of comprehensive income.

PACK-A-PUNCH TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****15 Subsidiaries**

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Pack-a-Punch Midco Limited	Note 1	Provision of management services	Ordinary	100.00	-
Pack-a-Punch Bidco Limited	Note 1	Provision of management services	Ordinary	-	100.00
Hadlee Holdco Limited	Ground Floor, Cambridge House, Le Truchot, St Peter Port, Guernsey, GY1 1WD	Provision of management services	Ordinary	-	100.00
Hadlee Midco Limited	Note 1	Provision of management services	Ordinary	-	100.00
Hadlee Bidco Limited	Note 1	Provision of management services	Ordinary	-	100.00
P2G.com Worldwide Limited	Note 1	Holding company	Ordinary	-	100.00
ASB Trading Ltd	Note 1	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	Note 1	Online parcel delivery services	Ordinary	-	100.00
P2G USA Limited	Note 1	Dormant	Ordinary	-	100.00
P2G Nominees Limited	1A Parklands, Lostock, Bolton, England, BL6 4SD	Activities of head offices	Ordinary	-	100.00
Parcel Monkey Holdings Limited	Note 2	Provision of management services	Ordinary	-	100.00
Parcel Monkey Limited	Note 2	Online parcel delivery services	Ordinary	-	100.00
Cloud Fulfilment Limited	Note 2	e-Commerce fulfilment services	Ordinary	-	100.00
Parcel Monkey SAS	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	Note 3	Dormant	Ordinary	-	100.00
Cloud Fulfilment LLC	Note 3	Dormant	Ordinary	-	100.00

PACK-A-PUNCH TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****15 Subsidiaries (Continued)**

Registered office addresses:

- Note 1 The Cube, Coe Street, Bolton, United Kingdom, BL3 6BU
 Note 2 Unit 620 Fareham Reach, Fareham Road, Gosport, England, PO13 0FW
 Note 3 210 East Sunrise Highway, Valley Stream, New York 11581, United States

All the above subsidiaries are included in the consolidation.

P2G Nominees Limited (company registration number 12328805), P2G USA Limited (company registration number 10872726), Parcel Monkey Holdings Limited (company registration number 07480007), Parcel Monkey Limited (company registration number 07097496), Cloud Fulfilment Limited (company registration number 08005765) and ASB Trading Ltd (company registration number 07531966) have taken the exemption in Section 479A of the Companies Act 2006 ("the Act") from the requirements in the Act for their individual accounts to be audited. The guarantee under Section 479A of the Act has been given by their immediate parent company, P2G.com Worldwide Limited, and has been disclosed in note 23.

16 Debtors

	Group 2023 £'000	Company 2023 £'000	Group 2022 £'000	Company 2022 £'000
Amounts falling due within one year:				
Trade debtors	696	-	755	-
Corporation tax recoverable	956	-	886	-
Amounts owed by group undertakings	-	437	-	639
Amount owed by related party	-	-	772	-
Other debtors	1,435	503	1,260	108
Prepayments and accrued income	1,401	17	1,663	17
Other taxation and social security	3	-	20	4
Derivative financial instruments (note 21)	1,102	-	-	-
Deferred tax asset (note 22)	3	-	-	-
	<u>5,596</u>	<u>957</u>	<u>5,356</u>	<u>768</u>

Amounts owed by group undertakings shown above are unsecured, repayable on demand and interest free.

Amounts falling due after more than one year:

Deferred tax asset (note 22)	558	73	424	-
Amounts owed by group undertakings	-	86	-	78
	<u>558</u>	<u>159</u>	<u>424</u>	<u>78</u>
Total debtors	<u>6,154</u>	<u>1,116</u>	<u>5,780</u>	<u>846</u>

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

PACK-A-PUNCH TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****17 Creditors: amounts falling due within one year**

	Group 2023 £'000	Company 2023 £'000	Group 2022 £'000	Company 2022 £'000
Payments received on account	1,914	-	1,916	-
Trade creditors	9,612	-	10,365	21
Amounts owed to group undertakings	-	456	-	-
Other taxation and social security	847	-	220	-
Other creditors	314	-	293	18
Accruals and deferred income	7,448	10	5,829	52
	<u>20,135</u>	<u>466</u>	<u>18,623</u>	<u>91</u>

18 Creditors: amounts falling due after more than one year

	Group 2023 £'000	Company 2023 £'000	Group 2022 £'000	Company 2022 £'000
Bank loans and overdrafts	67,386	-	65,471	-
Obligations under finance leases	-	-	94	-
Preference shares	215,492	215,492	194,723	194,723
	<u>282,878</u>	<u>215,492</u>	<u>260,288</u>	<u>194,723</u>

19 Borrowings

	Group 2023 £'000	Company 2023 £'000	Group 2022 £'000	Company 2022 £'000
Bank loans	67,386	-	65,471	-
Preference shares	215,492	215,492	194,723	194,723
	<u>282,878</u>	<u>215,492</u>	<u>260,194</u>	<u>194,723</u>
Unamortised issue costs	(2,162)	-	(2,576)	-
Payable within one year	-	-	-	-
Payable within two to five years	-	-	-	-
Payable after five years	285,040	215,492	262,770	194,723

The bank loans are secured by fixed and floating charges over the assets and undertakings of the Group and a negative pledge with Wilmington Trust (London) Limited dated 12 July 2021.

The bank loans are repayable in July 2028.

The company's preference shares accrue interest at a rate of 10% per annum and are repayable in December 2031.

PACK-A-PUNCH TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****20 Provisions for liabilities**

		Group 2023 £'000	Company 2023 £'000	Group 2022 £'000	Company 2022 £'000
	Notes				
Deferred tax liabilities	22	<u>16,711</u>	<u>-</u>	<u>17,676</u>	<u>-</u>

21 Financial instruments

	Group 2023 £'000	Company 2023 £'000	Group 2022 £'000	Company 2022 £'000
Financial assets measured at fair value through profit or loss				
Derivative financial instruments	<u>1,102</u>	<u>-</u>	<u>-</u>	<u>-</u>

During the year, a group company entered into interest rate swap agreements in order to hedge the group's exposure to SONIA interest rate movements on the loan facility. The fair value of the interest rate swaps at the reporting date has been determined based on observable inputs. A gain of £1,102k has been recognised in the statement of profit or loss in respect of changes in the fair value of the interest rate swaps in the year.

22 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

	Liabilities 2023 £'000	Assets 2023 £'000	Liabilities 2022 £'000	Assets 2022 £'000
Group				
Short term timing differences	-	3	-	4
Fixed asset timing differences	573	5	65	-
Losses and other deductions	-	553	-	420
Effect of recognition of intangible assets	<u>16,138</u>	<u>-</u>	<u>17,611</u>	<u>-</u>
	<u>16,711</u>	<u>561</u>	<u>17,676</u>	<u>424</u>
Company			Assets 2023 £'000	Assets 2022 £'000
Losses and other deductions			<u>73</u>	<u>-</u>

PACK-A-PUNCH TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****22 Deferred taxation (Continued)**

	Group 2023 £'000	Company 2023 £'000
Movements in the period:		
Liability at 1 April 2022	17,252	-
Credit to profit or loss	(1,102)	(73)
Liability/(Asset) at 31 March 2023	<u>16,150</u>	<u>(73)</u>

The deferred tax asset of £3k set out above is expected to reverse within 12 months and relates to unpaid pension contributions.

23 Contingent liability

In order for P2G Nominees Limited, P2G USA Limited, Parcel Monkey Holdings Limited, Parcel Monkey Limited, Cloud Fulfilment Limited and ASB Trading Ltd to take the audit exemption in Section 479A of the Companies Act 2006, P2G.com Worldwide Limited has guaranteed all outstanding liabilities of these subsidiary companies at 31 March 2023 until those liabilities are satisfied in full.

24 Retirement benefit schemes

	2023 £'000	2022 £'000
Defined contribution schemes		
Charge to statement of comprehensive income in respect of defined contribution schemes	<u>182</u>	<u>113</u>

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. At 31 March 2023 there were outstanding pension commitments of £23,818 (2022: £29,268).

25 Share capital**Ordinary share capital
Issued and fully paid**

	2023 £'000	2022 £'000
2,121,872 A Ordinary shares of £0.01 each	21	21
734,945 B Ordinary shares of £0.01 each	7	7
413,022 (2022: 387,263) C Ordinary shares of £0.01 each	4	4
453,502 (2022: 365,963) D Ordinary shares of £0.01 each	5	4
226,157 (2022: 0) D Ordinary Capped shares of £0.01 each	2	-
	<u>39</u>	<u>36</u>

PACK-A-PUNCH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

25 Share capital (Continued)

The company has three classes of preference shares which have been accounted for as liabilities. The preference shares do not carry voting rights and the holders are entitled to a fixed cumulative preferential dividend at the rate of 10% per annum of the subscription price. The preference shares are mandatorily redeemable on 31 December 2031.

The company's A, B and C ordinary shares have full voting rights and carry no rights of redemption.

The company's D ordinary shares and D ordinary capped shares do not carry any voting rights and carry no rights of redemption.

The preference shares rank in priority to the ordinary and ordinary capped shares. On a return of capital or winding up, firstly the holders of the preference shares will be paid a sum equal to the subscription price and any arrears and accruals of the preference dividend. Any surplus assets remaining will be applied between the holders of ordinary shares and ordinary capped shares in accordance with the company's articles of association.

26 Other reserves

During the year, the group recognised total share-based payment expenses of £889k (2022: £nil) in respect of equity-settled share-based payments.

The share-based payments in the year were made to a third party in respect of technology services received by one of the company's subsidiaries, the consideration being ordinary shares and preference shares issued by the company. The transactions are measured at the estimated fair value of the services received which is based on observable market prices.

27 Purpose of reserves

Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

Profit and loss account

Cumulative profit and loss net of distribution to owners.

Other reserves

Consideration paid by the group's Employee Benefit Trust (EBT) in respect of the company's shares.

PACK-A-PUNCH TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****28 Cash generated from group operations**

	2023	2022
	£'000	£'000
Loss for the period after tax	(135,970)	(34,237)
Adjustments for:		
Taxation charged	(1,131)	(1,688)
Finance costs	5,857	2,867
Non-cash preference shares interest	19,559	13,124
Non-cash fair value gain on derivative financial instruments	(1,102)	-
Amortisation of intangible assets	27,962	18,846
Impairment of intangible assets	88,874	-
Depreciation of tangible fixed assets	93	82
Loss on disposal of tangible fixed assets	3	-
Share-based payment expense	889	-
Movements in working capital:		
Decrease in debtors	551	1,453
Increase in creditors	1,833	430
Cash generated from operations	7,418	877

29 Analysis of changes in net debt - group

	1 April 2022	Cash flows	Other non-cash	31 March 2023
	£'000	£'000	changes	£'000
			£'000	
Cash at bank and in hand	4,609	(192)	-	4,417
Bank loans	(65,471)	(1,500)	(415)	(67,386)
Preference shares	(194,723)	-	(20,769)	(215,492)
	<u>(255,585)</u>	<u>(1,692)</u>	<u>(21,184)</u>	<u>(278,461)</u>

The non-cash changes relate to capitalised financing fees, accrued preference shares interest and the issue of preference shares.

30 Financial commitments, guarantees and contingent liabilities

Several Group companies act as guarantors in respect of borrowings under a senior facilities agreement (SFA) between Pack-a-Punch Bidco Limited, a subsidiary of the company, and a group of lenders (the Lenders), with Wilmington Trust (London) Limited acting as the Security Agent. At 31 March 2023, the outstanding borrowings subject to this guarantee were £69.5m (2022: £68m).

The Group and Company had no capital commitments at 31 March 2023 (2022: £nil).

PACK-A-PUNCH TOPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****31 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 2023 £'000	Company 2023 £'000	Group 2022 £'000	Company 2022 £'000
Within one year	270	-	237	-
Between one and five years	311	-	91	-
In over five years	-	-	17	-
	<u>581</u>	<u>-</u>	<u>345</u>	<u>-</u>

32 Related party transactions**Remuneration of key management personnel**

The remuneration of key management personnel of the group, which includes the directors, is as follows:

	2023 £'000	2022 £'000
Aggregate compensation	<u>1,685</u>	<u>1,016</u>

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 16 and 17.

Other related parties

Amounts owed by related parties in the prior period related to funds due from Pack-a-Punch Lux Topco S.a.r.l. which holds a majority of the share capital in the company.

33 Events after the reporting date

Subsequent to the year end, a Group company entered into a 10-year lease agreement to rent new office premises, with a 5-year break clause.

PACK-A-PUNCH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

34 Controlling party

The company's immediate controlling party is Pack-a-Punch Lux Topco S.a.r.l., a company incorporated in Luxembourg.

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.