

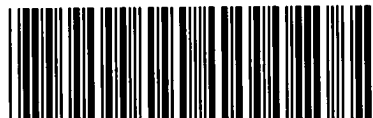
Registered number: 02584802

REVISECATCH LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 29 MARCH 2020

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REVISECATCH LIMITED

COMPANY INFORMATION

Directors	M Fullick G Howell A Harvey
Company secretary	D Heilig
Registered number	02584802
Registered office	100 Victoria Embankment London England EC4Y 0HQ
Independent auditors	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

REVISECATCH LIMITED

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REVISECATCH LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 29 MARCH 2020

Principal activities

The principal activity of the Company is as a provider of courier services predominantly focused upon clients in London and the South East.

Results and dividends

The profit after tax for the period ended 29 March 2020 was £1,108,000 (2019: £1,379,000). The 2018-2019 interim dividend of £1,500,000 was paid during the reporting period to the parent company Royal Mail Courier Services Limited (RMCS), and post period end a 2019-2020 interim dividend of £1,338,000 was paid to RMCS on 13 November 2020 (2019: £1,500,000).

Review of the business and future developments

During the reporting year the Company maintained a steady performance in the London urgent courier market.

Post year end the Company has been involved in the response to the COVID-19 pandemic, with Royal Mail Group Limited winning the government contract in order to supply same-day tests to individuals. As such the Company has played a key role in supply of the test kits and therefore post year end performance has been strong.

The Company is expected to continue its current business activities for the foreseeable future. Through monitoring of key financial and quality of service indicators the Directors consider the performance and position of the Company to be in line with expectations.

Key Performance Indicators (KPIs)

The Directors consider a number of financial KPIs in monitoring the performance of the Company as follows:

- Revenue, and
- Profit Before Tax

Revenue for the period was £14,729,000 (2019: £15,724,000) and profit before tax for the period was £1,331,000 (2019: £1,678,000). The Directors are satisfied that the Company has met its expectations with respect to the KPIs in this reporting period.

Principal risk and uncertainties

There are two principal risks faced by the Company both of which relate to couriers.

Firstly, a question mark continues to exist surrounding the employment status of the Company's couriers. The Government is reviewing the definition of worker status and there has been an increase in worker status claims being presented to Employment Tribunals over the last four years. A change in the law and/or a finding of worker status against the Company could have an impact on the cost base of the business, which we continue to monitor.

Secondly, new players in the sameday courier market continue to disrupt, placing upward pressure on courier earnings.

Corporate Responsibility

The Company is committed to carrying out its activities in a socially responsible manner in respect of the environment, employees, customers and local communities. The Board of the ultimate parent company, Royal Mail plc, publishes details of its activities in its Annual Report and Financial Statements.

REVISECATCH LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 29 MARCH 2020**

This report was approved by the Board and signed on its behalf.

A handwritten signature in black ink, appearing to read 'G Howell', written in a cursive style.

G Howell
Director

Date: 22 December 2020

REVISECATCH LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 29 MARCH 2020

The Directors present their annual report and the financial statements for the 52 weeks ended 29 March 2020 (2019: 53 weeks ended 31 March 2019).

Directors

The following have served as Directors of the Company during the period ended 29 March 2020 and up to the date of approval of these financial statements unless otherwise stated:

M Fullick
G Howell
A Harvey (appointed 23 April 2020)

No Director has a beneficial interest in the share capital of the Company.

Research and development

Research and development expenditure during the year amounted to £Nil (2019: £Nil).

Political donations

No political donations were made in the period (2019: £Nil).

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Indemnity of Directors

To the extent permitted by the Companies Act 2006, the Company may indemnify any Director or former Director of the Company or any associated company against any liability. The ultimate parent undertaking, Royal Mail plc, holds a Directors' and officers' liability insurance policy covering the Directors and officers or former Directors of its subsidiary undertakings against any liability.

Cautionary statement regarding forward-looking information

Where this review contains forward-looking statements, these are made by the Directors in good faith based on the information available to them at the time of their approval of this report. These statements should be treated with caution due to the inherent risks and uncertainties underlying any such forward-looking information. A number of important factors, including those in this document, could cause actual results to differ materially from those contained in any forward-looking statement.

Going concern

The Company had net assets of £1,946,000 at 29 March 2020 (2019: £2,338,000). The Directors have considered the financial position and future prospects of the Company for twelve months from the date of signing the accounts and believe that the Company has access to sufficient resources to manage its business successfully, despite the ongoing COVID-19 pandemic. The Royal Mail Group Limited Directors have signed a Letter of Support indicating that they will continue to provide the Company with financial support, as necessary, to meet any liabilities that become due. Accordingly, the financial statements are prepared under the going concern basis.

Auditor

KPMG LLP resigned and Cooper Parry Group Limited were appointed during the year.

REVISECATCH LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 29 MARCH 2020

Employees

Our goal is to ensure that all employees are engaged and involved in the business and are aligned and equipped to meet business objectives. As part of our commitment to drive better service for customers we continue to focus on improving the quality of our leadership, professionalising key roles and achieving greater employee involvement in decision making. Underpinning all of this is a need for dignity at work, where everybody feels valued, is treated fairly and equally and with everyone playing a full part in helping the Company to achieve its goals.

Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the candidates' particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Strategic report

In accordance with s414c(ii) of the Companies Act, the Company has set out certain information in its Strategic report that is otherwise required to be disclosed in the Directors' report. This includes information regarding results and activities, dividends and a description of the principal risks and uncertainties facing the Company.

This report was approved by the Board and signed on its behalf.



G Howell
Director

Date: 22 December 2020

REVISECATCH LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 29 MARCH 2020

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit 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;
- 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 to 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.

REVISECATCH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REVISECATCH LIMITED

Opinion

We have audited the financial statements of Revisecatch Limited (the 'Company') for the period ended 29 March 2020, which comprise the income statement, the balance sheet, the statement of changes in equity and the related notes, 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 101 'Reduced Disclosure Framework'.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 29 March 2020 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

REVISECATCH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REVISECATCH LIMITED (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinion 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 Director's report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Director's report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

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

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

REVISECATCH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REVISECATCH LIMITED (CONTINUED)

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

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

Use of our report

This report is made solely to the Company's members 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 auditors' 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 for our audit work, for this report, or for the opinions we have formed.

Cooper Parry Group Limited

Neil Calder (Senior statutory auditor)

for and on behalf of
Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Date: 23 December 2020

REVISECATCH LIMITED

INCOME STATEMENT
FOR THE PERIOD ENDED 29 MARCH 2020

			As restated*
	Note	2020 £000	2019 £000
Revenue	3	14,729	15,724
People costs	5	(3,094)	(3,231)
Other operating costs		(10,318)	(10,739)
Impairment		-	(122)
Operating profit	4	1,317	1,632
Income from investments		3	3
Profit on disposal of property, plant and equipment		21	43
Finance costs	7	(10)	-
Profit before tax		1,331	1,678
Tax on profit	8	(223)	(299)
Profit for the period		1,108	1,379

There was no other comprehensive income for 2020 (2019:£Nil).

All activities derive from the continuing operations of the Company.

The notes on pages 12 to 25 form part of these financial statements.

* Details on amounts restated are given in note 5.

REVISECATCH LIMITED
REGISTERED NUMBER: 02584802

BALANCE SHEET
AS AT 29 MARCH 2020

	Note	29 March 2020 £000	31 March 2019 £000
Non-current assets			
Intangible assets	9	73	88
Property, plant and equipment	10	1,222	1,155
Investments	11	105	105
Deferred tax	16	338	282
		<u>1,738</u>	<u>1,630</u>
Current assets			
Inventories		16	12
Trade and other receivables	12	2,619	2,491
Cash and cash equivalents		1,361	1,565
		<u>3,996</u>	<u>4,068</u>
Trade and other payables: amounts falling due within one year	13	<u>(3,466)</u>	<u>(3,360)</u>
Net current assets		<u>530</u>	<u>708</u>
Total assets less current liabilities		<u>2,268</u>	<u>2,338</u>
Trade and other payables: amounts falling due after more than one year	14	<u>(322)</u>	<u>-</u>
		<u>1,946</u>	<u>2,338</u>
Net assets		<u><u>1,946</u></u>	<u><u>2,338</u></u>
Capital and reserves			
Share capital	17	-	-
Retained earnings	18	1,946	2,338
Total equity		<u><u>1,946</u></u>	<u><u>2,338</u></u>

The financial statements were approved and authorised for issue by the Board on 22 December 2020 and were signed on its behalf by:



G Howell
Director

The notes on pages 12 to 25 form part of these financial statements.

REVISECATCH LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 29 MARCH 2020**

	Share capital £000	Retained earnings £000	Total equity £000
At 1 April 2019	-	2,338	2,338
Profit for the period	-	1,108	1,108
Dividends: Equity capital	-	(1,500)	(1,500)
At 29 March 2020	-	1,946	1,946

The notes on pages 12 to 25 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2019**

	Share capital £000	Retained earnings £000	Total equity £000
At 26 March 2018	-	2,459	2,459
Profit for the period	-	1,379	1,379
Dividends: Equity capital	-	(1,500)	(1,500)
At 31 March 2019	-	2,338	2,338

The notes on pages 12 to 25 form part of these financial statements.

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 MARCH 2020

1. Accounting policies

Revisecatch Limited (the Company) is a limited liability Company incorporated and domiciled in England and Wales. The address of its registered office is disclosed on the Company information page.

The financial statements are prepared in Sterling (£), which is the functional currency of the Company. The financial statements are for a period of 52 weeks ended 29 March 2020 (2019: 53 weeks ended 31 March 2019).

1.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but make amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Royal Mail plc includes the Company in its consolidated financial statements. The consolidated financial statements of Royal Mail plc are available to the public and may be obtained from the Company Secretary, 100 Victoria Embankment, London, EC4Y 0HQ or at www.royalmailgroup.com.

The following principal accounting policies have been applied:

1.2 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IAS 7 Statement of Cash Flows
- certain disclosures regarding the company's capital;
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the effect of future accounting standards not yet adopted; and
- the disclosure of remuneration of key management personnel.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Royal Mail plc. The financial statements of Royal Mail plc can be obtained as described in note 1.1.

These financial statements do not include certain disclosures of:

- Financial instruments (other than certain disclosures required as a result of recording financial instruments at fair value).
- Fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value).

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

1.3 Adoption of new and revised standards

The Company has applied IFRS16 "Leases" (which replaces IAS17) for the first time for the reporting period commencing 1 April 2019. IFRS 16 has had a material impact on the Company, see note 15.

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 MARCH 2020

1. Accounting policies (continued)

1.4 Revenue

Revenue is derived from specific contracts and is recognised at the time of delivery.

1.5 Going concern

The Company had net assets of £1,946,000 at 29 March 2020 (2019: £2,338,000). The Directors have considered the financial position and future prospects of the Company for twelve months from the date of signing the accounts and believe that the Company has access to sufficient resources to manage its business successfully, despite the ongoing COVID-19 pandemic. The Royal Mail Group Limited Directors have signed a Letter of Support indicating that they will continue to provide the Company with financial support, as necessary, to meet any liabilities that become due. Accordingly, the financial statements are prepared under the going concern basis.

1.6 Leases

IFRS 16 changes how the Company accounts for leases previously classified as operating leases under IAS17, which were off-balance sheet. The Company has applied IFRS 16 using the modified retrospective approach, but has not restated comparative information, as permitted under the specific transition provisions in the standard. In respect of those leases the Company previously treated as operating leases, the Company has elected to measure its right-of-use assets arising from property leases using the approach set out in IFRS16.C8(b)(ii). Under IFRS16C8(b)(ii) right-of-use assets are set equal to the lease liability, adjusted for prepaid or accrued lease payments, including un-amortised lease incentives.

The Company leases various properties and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets cannot be used as security for borrowing purposes.

A lease is recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company (note 15). Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the group's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Restoration costs.

Payments associated with short-term leases and leases of low value assets are recognised on a straight line basis as an expense in the income statement. Short-term leases are leases with a lease

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 MARCH 2020

1. Accounting policies (continued)

1.6 Leases (continued)

term of 12 months or less. Low value assets comprise IT equipment and small items of office furniture.

1.7 Finance costs

Finance costs are charged to the income statement 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.

1.8 Current and deferred tax

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of the deferred tax liabilities or other future taxable profits.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

1.9 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The estimated useful lives range as follows:

Development expenditure	-	5	years
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1.10 Property, plant and equipment

Property, plant and equipment under the cost model is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the income statement during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 MARCH 2020

1. Accounting policies (continued)

1.10 Property, plant and equipment (continued)

Depreciation is provided on the following basis:

Leasehold property	-	25% straight line
Plant and machinery	-	33% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	25% reducing balance
Right-of-use assets	-	Over the shorter of the assets useful life and the lease term on a straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

At each balance sheet date, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that any items of property, plant and equipment have suffered an impairment loss. If such indication exists, the recoverable amount of an 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 the asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The impairment loss is recognised immediately in the income statement.

1.11 Trade receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any non-collectable amounts. This allowance is calculated by first creating an allowance for identified trade receivables where collection of the full amount is no longer probable and then applying lifetime expected credit loss (ECL) rates to the unprovided balance. Bad debts are written off when identified.

1.12 Trade payables

Trade payables are recorded initially at fair value and subsequently measured at amortised cost. Generally this results in their recognition at their nominal value.

1.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

1.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 MARCH 2020

1. Accounting policies (continued)

1.15 Contingent liabilities

Contingent liabilities are possible obligations whose existence depends on the outcome of uncertain future events or present obligations where the outflows of resources are uncertain or cannot be measured reliably. Contingent liabilities are not recognised in the financial statements but are disclosed unless an outflow of resources is considered remote.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future. Management are also required to exercise judgement in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

In preparing these financial statements, the Directors have made the following judgements:

Leases

Under IFRS 16, lease liabilities are initially recognised at the commencement date at the present value of future lease payments discounted at the rate inherent in the lease or, where this is not readily determinable, an appropriate IBR. In practice, the rate inherent in the lease is not always readily determinable so an IBR is used.

The IBR is the rate of interest that a lessee would have to pay to borrow, over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The methodology used to obtain these rates is therefore considered an area of judgement.

Judgement is also required in terms of considering the likelihood of certain options being taken up such as break clauses. Refer to note 1.6 for additional disclosures related to leases.

3. Revenue

The total revenue of the Company for the year has been derived from its principal activity being the supply of service wholly undertaken in the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2020 £000	2019 £000
Depreciation of right-of-use assets	123	-
Depreciation of tangible fixed assets	388	335
Amortisation	4	10
Operating lease costs	-	160
Fees payable to the Company's auditors for the audit of the Company's annual financial statements.	16	19

REVISECATCH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 MARCH 2020**

5. Employees

People costs, including Directors' remuneration, were as follows:

	2020 £000	As restated 2019 £000
Wages and salaries	2,778	2,901
Social security costs	272	284
Pension costs	44	46
	<u>3,094</u>	<u>3,231</u>

In the prior year an amount of £415,000 has been reclassified from other operating costs to employee costs. This is broken down as £364,000 increase in wages and salaries, £33,000 increase in social security costs, and £18,000 increase in pension costs.

The average monthly number of employees, including the Directors, during the period was as follows:

	2020 No.	2019 No.
Administration	<u>89</u>	<u>99</u>

6. Directors' remuneration

	2020 £000	2019 £000
Directors' emoluments	203	281
Company contributions to defined contribution pension schemes	1	1
	<u>204</u>	<u>282</u>

During the period retirement benefits were accruing to one Director (2019: one) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £121,467 (2019: £117,933).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £Nil (2019: £Nil).

7. Finance costs

	2020 £000	2019 £000
Interest on lease liability	<u>10</u>	<u>-</u>
	<u>10</u>	<u>-</u>

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 MARCH 2020

8. Tax

	2020 £000	2019 £000
Corporation tax		
Current tax on profits for the period	281	160
Adjustments in respect of previous periods	(2)	-
	<u>279</u>	<u>160</u>
Total current tax	<u>279</u>	<u>160</u>
Deferred tax		
Origination and reversal of timing differences	(25)	157
Changes to tax rates	(33)	(1)
Increase in discount	2	(17)
Total deferred tax	<u>(56)</u>	<u>139</u>
Tax on profit	<u>223</u>	<u>299</u>

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £000	2019 £000
Profit before tax	<u>1,331</u>	<u>1,679</u>
Profit multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	253	319
Effects of:		
Non-deductible expenditure	3	(2)
Amounts underprovided in earlier years	-	(1)
Double tax relief	-	(17)
Effect of change in tax rates	(33)	-
Total tax charge for the period	<u>223</u>	<u>299</u>

Factors that may affect future tax charges

The UK corporation tax rate is 19%. The previously announced reduction to 17% has been redacted following the Budget 2020. In accordance with accounting standards the deferred tax balances in these financial statements have been adjusted to effect this change.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 MARCH 2020

9. Intangible assets

	Goodwill £000	Development costs £000	Total £000
Cost			
At 1 April 2019	191	207	398
Disposals	(141)	(52)	(193)
At 29 March 2020	50	155	205
Amortisation			
At 1 April 2019	141	169	310
Charge for the period	-	4	4
On disposals	(141)	(41)	(182)
At 29 March 2020	-	132	132
Net book value			
At 29 March 2020	50	23	73
At 31 March 2019	50	38	88

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 MARCH 2020

10. Property, plant and equipment

	Short-term leasehold property £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Right-of- use assets £000	Total £000
Cost or valuation						
At 1 April 2019	26	1,049	1,651	291	-	3,017
Opening balance on adoption of IFRS 16	-	-	-	-	73	73
At 1 April 2019 (adjusted balance)	26	1,049	1,651	291	73	3,090
Additions	82	6	25	3	456	572
Disposals	(26)	(837)	(280)	(243)	-	(1,386)
At 29 March 2020	82	218	1,396	51	529	2,276
Depreciation						
At 1 April 2019	26	918	687	231	-	1,862
Charge for the period on owned assets	17	41	315	15	-	388
Charge for the period on right-of-use assets	-	-	-	-	123	123
Disposals	(26)	(813)	(264)	(216)	-	(1,319)
At 29 March 2020	17	146	738	30	123	1,054
Net book value						
At 29 March 2020	65	72	658	21	406	1,222
At 31 March 2019	-	131	964	60	-	1,155

The net book value of owned and leased assets included as property, plant and equipment in the balance sheet is as follows:

	29 March 2020 £000
Tangible fixed assets owned	816
Right-of-use tangible fixed assets	406
	<u>1,222</u>

REVISECATCH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 MARCH 2020**

10. Property, plant and equipment (continued)

Information about right-of-use assets is summarised below:

Net book value

	29 March 2020 £000
Property	379
Motor vehicles	27
	<hr/> 406 <hr/>

Depreciation charge for the period ended

	29 March 2020 £000
Property	(110)
Motor vehicles	(13)
	<hr/> (123) <hr/>

11. Investments

	Investments in subsidiary companies £000
Cost and net book value	
At 31 March 2019 and 29 March 2020	<hr/> 105 <hr/>

The Company owns 64% of the issued share capital of D.A. Systems Limited, a Company registered in England. The principal activity of D.A. Systems Limited of software development and consultancy. The Company's registered address is Oakingham House Frederick Place, London Road, High Wycombe, Buckinghamshire, England, HP11 1JU.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 MARCH 2020

12. Trade and other receivables

	29 March 2020 £000	31 March 2019 £000
Trade receivables	1,645	2,103
Amounts owed by group undertakings	94	203
Other receivables	41	43
Prepayments and accrued income	839	142
	<u>2,619</u>	<u>2,491</u>

13. Trade and other payables: Amounts falling due within one year

	29 March 2020 £000	31 March 2019 £000
Trade payables	277	321
Amounts owed to parent company	1,000	1,000
Amounts owed to Royal Mail Group entities for Group tax loss relief	170	64
Other tax and social security	469	401
Lease liabilities	86	-
Other creditors	495	428
Accruals and deferred income	969	1,146
	<u>3,466</u>	<u>3,360</u>

14. Trade and other payables: Amounts falling due after more than one year

	29 March 2020 £000	31 March 2019 £000
Lease liabilities	322	-
	<u>322</u>	<u>-</u>

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 MARCH 2020

15. Leases

The Company has adopted IFRS 16 Leases retrospectively from 1 April 2019 but has not restated comparatives for the 2019 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 April 2019.

On adoption of IFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 3%.

In applying IFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 April 2019;
- Accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases;
- Excluding initial direct costs for the measurement of the right-of-use asset at the date on initial application; and
- Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Company has also elected not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying IAS 17 and IFRIC 4 Determining whether an Arrangement contains a Lease.

i) Future minimum leases payments are as follows:

	Property £000	Motor Vehicles £000	Total £000
Less than one year	74	12	86
In the second to fifth year inclusive	294	12	306
Over five years	16	-	16
	384	24	408

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 MARCH 2020

15. Leases (continued)

ii) Future minimum lease payments in the prior year

	2019 Land and Buildings £000
Less than one year	69
In the second to fifth years inclusive	6
Total payments	75

iii) Measurement of lease liabilities

	£000
Operating lease commitments as at 31 March 2019	75
Impact of discounting on leases	(1)
IFRS 16 lease liability at 01 April 2019	74

16. Deferred tax

	2020 £000
At beginning of year	282
Charged to the income statement	56
At end of year	338

The deferred tax asset is made up as follows:

	29 March 2020 £000	31 March 2019 £000
Accelerated capital allowances	58	32
Short-term timing differences	4	6
Losses available for offset against future taxable income	276	244
	338	282

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 MARCH 2020

17. Share capital

	29 March 2020 £000	31 March 2019 £000
Allotted, called up and fully paid		
214 Ordinary shares of 1p	-	-

18. Reserves

Share Capital

Represents the nominal value of shares that have been issued.

Retained earnings

Represents accumulated profit and loss for the period and prior periods less dividends paid.

19. Related party transactions

The Company has taken advantage of the exemption under FRS 101 not to disclose transactions or balances with wholly owned entities of Royal Mail plc, the ultimate controlling parent company.

The sales to and purchases from related parties are made at normal market prices. Balances outstanding at the period end are unsecured, interest free and settlement is made by cash.

20. Post balance sheet events

An interim dividend of £1,338,000 was paid to the parent company Royal Mail Courier Services Limited (RMCS) on 13 November 2020.

The only other event occurring post year end is the ongoing COVID-19 pandemic. The full impact of the COVID-19 pandemic is currently unknown, however Revisecatch have been continuing to trade well post year end despite this.

21. Contingent liabilities

As discussed in the Strategic report on page 1, there is still some uncertainty surrounding the employment status of the Company's couriers. The Government is reviewing the definition of worker status and there has been an increase in worker status claims being presented to Employment Tribunals over the last four years. The Company is robustly defending four claims from former couriers, however a ruling of worker status against the Company could result in additional claims in the future. It is however currently not possible for the amount of any possible future obligation to be reliably measured.

22. Controlling party

At 29 March 2020, Royal Mail Courier Services Limited is the immediate parent company and Royal Mail plc is the ultimate parent company. The results of the Company are included in the Royal Mail plc Annual Report and Financial Statements, which are available from the Company Secretary, 100 Victoria Embankment, London, EC4Y 0HQ or at www.royalmailgroup.com.