
MYPARCELDelivery.COM LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

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MYPARCELDELIVERY.COM LIMITED

COMPANY INFORMATION

Directors	D Grimes M Fletcher (Resigned 20 September 2018) A Hill J Summers A Leach
Registered number	07082684
Registered office	3rd Floor The Union Albert Square Manchester England M2 6LW

MYPARCELDelivery.COM LIMITED

CONTENTS

	Page
Balance Sheet	1
Notes to the Financial Statements	3 - 11

MYPARCELDELIVERY.COM LIMITED

**BALANCE SHEET
AS AT 31 MAY 2019**

	Note	2019 £000	2018 £000
Fixed assets			
Intangible assets	3	63	229
Tangible assets	4	2	12
		<u>65</u>	<u>241</u>
Current assets			
Debtors: amounts falling due within one year	5	2,294	2,719
Cash and cash equivalents	6	264	160
		<u>2,558</u>	<u>2,879</u>
Creditors			
Creditors: amounts falling due within one year	7	(6,300)	(6,490)
Net current liabilities		<u>(3,742)</u>	<u>(3,611)</u>
Total assets less current liabilities		<u>(3,677)</u>	<u>(3,370)</u>
Net liabilities		<u>(3,677)</u>	<u>(3,370)</u>
Capital and reserves			
Called up share capital	8	-	-
Share premium account	9	150	150
Profit and loss account	9	(3,827)	(3,520)
		<u>(3,677)</u>	<u>(3,370)</u>

For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies regime.

MYPARCELDelivery.COM LIMITED

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

A handwritten signature in black ink, appearing to be 'D Grimes', written over a horizontal line.

D Grimes
Director

The notes on pages 3 to 11 form part of these statements.

MYPARCELDELIVERY.COM LIMITED

1. General information

Myparceldelivery.com Limited is a private company limited by shares and incorporated in England and Wales. Registered number 07082684. Its head office is located at 3rd Floor, The Union, Albert Square, Manchester, M2 6LW.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

The following principal accounting policies have been applied:

System development costs capitalised within intangible fixed assets

The company capitalises intangible fixed assets to the extent that they create an enduring asset that delivers economic benefits at least as great as the amount capitalised. System development costs are amortised on a straight line basis over 4 years and regular reviews are carried out to consider if the asset is subject to impairment.

In some instances, when determining the amount to be capitalised, the directors exercise judgement in determining the amount of time certain employees have spent on a capital project. The directors take a prudent approach, understanding each individual's project / operational priorities and commitments, reviewed as part of regular and ongoing project meetings, before deciding whether a project is deemed to be capital in nature. Any time which is deemed not to have been spent on a capital project is written off to the profit and loss account as incurred.

Impairment review of intangible fixed assets

The Group considers whether intangible fixed assets are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the future cash flows from the cash generating units and selection of appropriate discount rates in order to calculate the net present value of those cash flows.

2.2 Going concern

Notwithstanding the loss for the year, the directors believe it is appropriate for the financial statements to be prepared on a going concern basis. The directors have given consideration and applied relevant sensitivities to the forecasts prepared for the company covering the period to November 2020.

The company meets its day to day working capital requirement from the support of the parent company. The directors and the parent company will continue to support the company for the foreseeable future.

In August 2019, the parent undertaking of Myparceldelivery.com Limited, Sorted Holdings Limited, successfully completed a Series B investment round of £15m.

2.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of value added tax.

Revenue from the supply of services is recognised once it is probable that the economic benefit associated with the transaction will flow or remain with the entity, usually at the point of delivery to the customer.

2.4 Intangible fixed assets and amortisation

System design and development costs are capitalised to the extent that they create an enduring asset that delivers benefits to the company, at least as great as the amount capitalised. They are amortised over 4 years on a straight line basis and regular reviews are carried out to ensure a certain relationship exists between the capitalised expenditure and the future economic benefits to be realised. If there is any indication of impairment that they are carrying amounts may not be recoverable, the costs are expensed immediately through the profit and loss account.

2.5 Tangible fixed assets

Tangible assets are stated at cost less depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Fixtures and fittings	- 25% straight line
Computer equipment	- 33% straight line

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

2.10 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives of 4 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

MYPARCELDelivery.COM LIMITED

3. Intangible assets

	System development costs £000
At 1 June 2018	1,157
At 31 May 2019	1,157
Amortisation	
At 1 June 2018	(928)
Charge for year	(166)
At 31 May 2019	(1,094)
Net book value	
At 31 May 2019	63
At 31 May 2018	229

MYPARCELDelivery.COM LIMITED

4. Tangible assets

	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost or valuation			
At 1 June 2018	18	40	58
At 31 May 2019	18	40	58
Depreciation			
At 1 June 2018	(13)	(33)	(46)
Charge for the year on owned assets	(3)	(7)	(10)
At 31 May 2019	(16)	(40)	(56)
Net book value			
At 31 May 2019	2	-	2
At 31 May 2018	5	7	12

MYPARCELDelivery.COM LIMITED

5. Debtors

	2019 £000	2018 £000
Trade debtors	4	-
Amounts owed by group undertakings	2,290	2,607
Other debtors	-	44
Corporation tax	-	20
VAT debtor	-	48
	<u>2,294</u>	<u>2,719</u>

MYPARCELDELIVERY.COM LIMITED

6. Cash and cash equivalents

	2019	2018
	£000	£000
Cash at bank and in hand	<u>264</u>	<u>160</u>

7. Creditors: Amounts falling due within one year

	2019	2018
	£000	£000
Trade creditors	86	227
Amounts owed to group undertakings	6,050	6,028
Other taxation and social security	27	7
Other creditors and accruals	137	228
	<u>6,300</u>	<u>6,490</u>

Amounts owed by the group undertakings are repayable on demand and are not secured or interest bearing.

8. Share capital

	2019	2018
	£	£
Authorised, allotted, called up and fully paid		
150 Ordinary shares of £1 each	<u>150</u>	<u>150</u>

MYPARCELDelivery.COM LIMITED

9. Reserves

Share premium account

Includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

	2019 £000	2018 £000
At 31 May	<u>150</u>	<u>150</u>

Profit and loss account

Includes all current and prior periods retained profits and losses.

	2019 £000	2018 £000
At 1 June	(3,520)	(2,488)
Loss for the year	<u>(307)</u>	<u>(1,032)</u>
At 31 May	<u>(3,827)</u>	<u>(3,520)</u>

10. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £8,014 (2018: £17,552). Contributions totalling £3,189 (2018: £1,019) were payable to the fund at the balance sheet date and are included in creditors.

11. Related party transactions

During the period, expenses incurred and cash receipts received by Sorted Holdings Limited and Sorted Group Limited flowed through the MyParcelDelivery.com Limited bank account.

At year end included in creditors is the net balance of £6,049,511 (2018: £6,028,129) owed to Sorted Holdings Limited and in debtors £2,290,504 (2018: £2,607,370) owed by Sorted Group Limited.

MYPARCELDELIVERY.COM LIMITED

12. Controlling party

The ultimate parent undertaking of the company is Sorted Holdings Limited by virtue of its 100% shareholding in Myparceldelivery.com Limited. The directors do not consider there to be an ultimate controlling party. The parent company is registered in England and Wales.

13. Post balance sheet events

In August 2019, the parent undertaking of Myparceldelivery.com Limited, Sorted Holdings Limited, successfully completed a Series B investment round of £15m.