

Company Registration No. 08212827 (England and Wales)

P2G.COM WORLDWIDE LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2018

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P2G.COM WORLDWIDE LIMITED

COMPANY INFORMATION

Directors	HPA Adams-Mercer RHP Adams-Mercer JB Greenbury SJ Kramer MJC Livingstone CA Simpson
Company number	08212827
Registered office	The Cube Coe Street Off Bridgeman Street Bolton Lancashire BL3 6BU
Auditor	RSM UK Audit LLP Chartered Accountants 3 Hardman Street Manchester M3 3HF
Bankers	National Westminster Bank Plc 24 Deansgate Bolton Lancashire B11 1BN

P2G.COM WORLDWIDE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present the strategic report for the year ended 31 March 2018.

Fair review of the business and key performance indicators

The principal activity in the company during the period was that of a holding company whilst the principal activity of the group was the provision of online parcel delivery services.

Parcel2go, the UK's leading parcel delivery comparison website and provider of parcel delivery technology to over 800,000 customers, is pleased to announce its full year results, covering the twelve months to 31 March 2018.

Year ending March 31	2017/18 £000	2016/17 £000	Percentage change
Gross revenue*	72,352	56,268	29%
Statutory revenue	68,507	56,268	22%
Gross profit	10,458	8,910	17%
EBITDA	2,651	1,835	44%
Net cash in Bank	3,962	2,988	33%

The group has made great progress during the year, trading ahead of the plan set out at the time of our 2017 crowd funding.

Most of the growth in Group turnover has arisen in the UK through our main website www.parcel2go.com. However, we have also increased the total number of websites and seen strong growth in the sales volumes of our white label operations. White label operations are whereby we operate online direct-to-consumer/SME websites on behalf of major organisations both in the UK and internationally. We are also encouraged by continued sales through our Parcel2Go branded international websites.

Growth levels in Group turnover reflect the increased usage of ecommerce by consumers/SME's, the success of our marketing campaigns and continued investment in IT.

We successfully integrated our first acquisition, National Pallets, and the core businesses continue to perform well with great execution of our strategy by the team.

Parcel2Go offers a quick, easy and lower cost alternative to the Post Office. Parcel2Go is a low-cost business model operating at significant scale and in a highly efficient way, disrupting the way consumers and micro businesses send parcels that would traditionally be sent via the Post Office.

*A small part of our gross revenue is not reflected in our statutory accounts revenue, due to the nature of some of our carrier agreements. This does not impact the commercials of our business model, and management believe increases in gross revenue are the key driver of growth.

Future developments

Future developments of the group include the continued organic growth of the UK market along with 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. However, the directors consider the quality of service and continued investment will enable the business to maintain a strong position.

Financial Risk Management

The company and group make little use of financial instruments other than an operational bank account and bank borrowings and loan notes. We consider that our exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the financial position or results of the group or company.

P2G.COM WORLDWIDE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

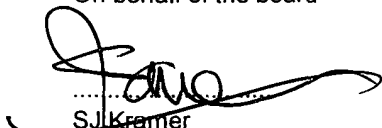
Other information

The information in the table format above shows the impact on margins of the price competitive offering of the group.

Payroll costs during the year include a £67k (2017: £119k) charge relating to share based payments to Group employees. In addition, increased payroll costs also reflect a greater investment in the senior management and IT development teams within the Group.

Cash balances would have been somewhat higher but for the net cash outflows in respect of the acquisition of National Pallets and financing activities in the period.

On behalf of the board



.....
S.J. Kramer
Director
Date: 10.09.18

P2G.COM WORLDWIDE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present their annual report and financial statements for the year ended 31 March 2018.

Principal activities

The principal activity of the company continued to be that of a holding company. 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:

HPA Adams-Mercer

RHP Adams-Mercer

JB Greenbury

SJ Kramer

MJC Livingstone

CA Simpson

GS Manton

(Resigned 12 March 2018)

Results and dividends

The results for the year are set out on page 8. The Directors do not recommend a dividend.

Research and development

The group incurred research and development expenditure of £798k (2017: £508k). The costs are written off in the year in which they are incurred.

Auditor

RSM UK Audit 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.

Statement of disclosure to auditor

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

Issue of Shares

During the year, the company issued shares as part of a crowd funding project, which resulted in 5,440,499 'A' Ordinary shares being issued at various prices. Any amount above the nominal value of 0.001p has been recorded in share premium. Share premium balance is shown net of any project related expenditure and stands at £981k at 31 March 2018.

The company reclassified its 'C' ordinary shares as 'A' ordinary shares during the year, following the sub-division across all Ordinary shares which increased the number in issue but not the total amount of issued share capital.

Redemption of shares

The company redeemed its entire preference share capital during the year.

Strategic report

The group has chosen in accordance with Companies Act 2006 2.414C(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.

P2G.COM WORLDWIDE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

On behalf of the board



.....
S. Kramer
Director

Date: 10.09.18

P2G.COM WORLDWIDE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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 P2G.COM WORLDWIDE LIMITED

Opinion

We have audited the financial statements of P2G.COM Worldwide Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Changes in Equity, the 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2018 and of the group's 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 group and 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF P2G.COM WORLDWIDE LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters 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 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Anthony Steiner FCA (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

3 Hardman Street

Manchester

M3 3HF

17.9.18

P2G.COM WORLDWIDE LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £'000	2017 £'000
Turnover	3	68,507	56,268
Cost of sales		(58,049)	(47,358)
Gross profit		10,458	8,910
Distribution costs		(91)	-
Administrative expenses		(9,277)	(8,433)
Other operating income		137	-
Operating profit	6	1,227	477
Interest payable and similar expenses	8	(72)	(88)
Profit before taxation		1,155	389
Tax on profit	9	(369)	(187)
Profit for the financial year		786	202


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

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

P2G.COM WORLDWIDE LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018**

	Notes	2018 £'000	2017 £'000
Fixed assets			
Goodwill	10	6,932	7,134
Other intangible assets	10	11	5
Total intangible assets		6,943	7,139
Tangible assets	11	114	149
		7,057	7,288
Current assets			
Debtors	15	1,935	1,374
Cash at bank and in hand		5,462	4,738
		7,397	6,112
Creditors: amounts falling due within one year	16	(12,800)	(8,840)
Net current liabilities		(5,403)	(2,728)
Total assets less current liabilities		1,654	4,560
Creditors: amounts falling due after more than one year	17	-	(1,500)
Provisions for liabilities	20	(8)	(11)
Net assets		1,646	3,049
Capital and reserves			
Called up share capital		1	3,238
Share premium account		981	-
Capital redemption reserve		4,880	1,643
Other reserves		186	119
Profit and loss reserves		(4,402)	(1,951)
Total equity		1,646	3,049

The financial statements were approved by the board of directors and authorised for issue on 10.9.18 and are signed on its behalf by:

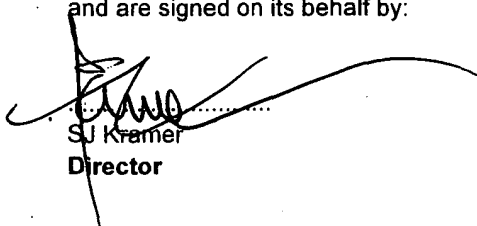

 SJ Kramer
 Director

P2G.COM WORLDWIDE LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018**

	Notes	2018 £'000	£'000	2017 £'000	£'000
Fixed assets					
Investments	12		15,307		13,938
Current assets					
Debtors	15	-		32	
Cash at bank and in hand		7		1	
		<u>7</u>		<u>33</u>	
Creditors: amounts falling due within one year	16	(8,876)		(5,742)	
Net current liabilities			(8,869)		(5,709)
Total assets less current liabilities			6,438		8,229
Creditors: amounts falling due after more than one year	17		-		(1,500)
Net assets			<u>6,438</u>		<u>6,729</u>
Capital and reserves					
Called up share capital			1		3,238
Share premium account			981		-
Capital redemption reserve			4,880		1,643
Other reserves			186		119
Profit and loss reserves			390		1,729
Total equity			<u>6,438</u>		<u>6,729</u>

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 profit for the year was £1,898k (2017: loss of £109k).

The financial statements were approved by the board of directors and authorised for issue on 10.9.18 and are signed on its behalf by:


SJ Kramer
Director

P2G.COM WORLDWIDE LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other reserves £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 April 2016		3,238	-	1,643	-	(2,153)	2,728
Year ended 31 March 2017:							
Profit and total comprehensive income for the year		-	-	-	-	202	202
Share-based payment reserve		-	-	-	119	-	119
Balance at 31 March 2017		3,238	-	1,643	119	(1,951)	3,049
Year ended 31 March 2018:							
Profit and total comprehensive income for the year		-	-	-	-	786	786
Issue of share capital		-	981	-	-	-	981
Redemption of shares		(3,237)	-	3,237	-	(3,237)	(3,237)
Share-based payment reserve		-	-	-	67	-	67
Balance at 31 March 2018		1	981	4,880	186	(4,402)	1,646

P2G.COM WORLDWIDE LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other reserves £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 April 2016		3,238	-	1,643	-	1,838	6,719
Year ended 31 March 2017:							
Loss and total comprehensive income for the year		-	-	-	-	(109)	(109)
Share-based payment reserve		-	-	-	119	-	119
Balance at 31 March 2017		3,238	-	1,643	119	1,729	6,729
Year ended 31 March 2018:							
Profit and total comprehensive income for the year		-	-	-	-	1,898	1,898
Issue of share capital		-	981	-	-	-	981
Redemption of shares		(3,237)	-	3,237	-	(3,237)	(3,237)
Share-based payment reserve		-	-	-	67	-	67
Balance at 31 March 2018		1	981	4,880	186	390	6,438

P2G.COM WORLDWIDE LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

		2018		2017	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Cash generated from operations	27		4,526		4,168
Interest paid			(72)		(88)
Income taxes paid			(252)		(205)
Net cash inflow from operating activities			4,202		3,875
Investing activities					
Purchase of business		(931)		-	
Purchase of intangible assets		(9)		-	
Purchase of tangible fixed assets		(32)		(22)	
Net cash used in investing activities			(972)		(22)
Financing activities					
Proceeds from issue of shares		981		-	
Redemption of shares		(3,237)		-	
Repayment of bank loans		(250)		(1,250)	
Net cash used in financing activities			(2,506)		(1,250)
Net increase in cash and cash equivalents			724		2,603
Cash and cash equivalents at beginning of year			4,738		2,135
Cash and cash equivalents at end of year			5,462		4,738

P2G.COM WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Company information

P2G.COM Worldwide 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, Off Bridgeman Street, Bolton, Lancashire, BL3 6BU.

The group consists of P2G.COM Worldwide 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.

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 £'000.

The company has early adopted the revised triennial version of FRS 102. There are no significant impacts on the financial statements.

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.

P2G.COM WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (Continued)

Basis of consolidation

The consolidated financial statements incorporate those of P2G.COM Worldwide 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 year 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 2018. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

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.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group and company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements. The Directors note the net current liability position of the group and company at the balance sheet date and that the business is highly cash generative and has held high cash balances throughout the year.

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.

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

Certain carrier contracts involve transactions undertaken on agency type arrangements with the carrier where the turnover is not recorded as turnover of the group.

P2G.COM WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (Continued)

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 if the fair value can be measured reliably.

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
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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

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.

P2G.COM WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (Continued)

Impairment of fixed assets

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

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

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

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

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) 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. Bank overdrafts are shown within borrowings in current liabilities.

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.

P2G.COM WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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 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, 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

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value 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.

P2G.COM WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (Continued)

Equity instruments

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

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.

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

P2G.COM WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (Continued)

Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

Leases

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

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.
- 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.

All research and development expenditure that does not meet the above conditions is expensed as incurred.

P2G.COM WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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.

Goodwill

The directors of the Group consider the policy to keep the useful life of goodwill to 10 years as a fair estimate and so there has been no change in the amortisation rate in the current year.

Share based payments

The Group issues share options to certain employees. The Black-Scholes model is used to calculate the appropriate charge for these options. The use of this model to calculate a charge involves using a number of estimates and judgements to establish the appropriate inputs to be entered into the model, covering areas such as the use of an appropriate interest rate, volatility, exercise restrictions and estimated exercise date. A significant element of judgement is therefore involved in the calculation of the charge.

3 Turnover and other revenue

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

	2018 £'000	2017 £'000
Turnover analysed by geographical market		
United Kingdom	66,953	54,933
Rest of the European Union	1,554	1,335
	<u>68,507</u>	<u>56,268</u>

P2G.COM WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

4 Employees

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

	Group		Company	
	2018	2017	2018	2017
	Number	Number	Number	Number
Number of administrative staff - full time	80	71	-	-
Number of administrative staff - part time	69	70	-	-
Number of management staff - full time	7	7	6	7
Number of management staff - part time	4	3	-	-
	<u>160</u>	<u>151</u>	<u>6</u>	<u>7</u>

Their aggregate remuneration comprised:

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Wages and salaries	3,936	3,391	-	-
Social security costs	367	322	-	-
Pension costs	19	16	-	-
	<u>4,322</u>	<u>3,729</u>	<u>-</u>	<u>-</u>

Included in the above amounts are £67k (2017: £119k) relating to equity settled share based payments.

5 Directors' remuneration

	2018	2017
	£'000	£'000
Remuneration for qualifying services	459	456
Company pension contributions to defined contribution schemes	2	2
	<u>461</u>	<u>458</u>

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

	2018	2017
	£'000	£'000
Remuneration for qualifying services	<u>140</u>	<u>140</u>

There were pension contributions of £391 (2017: £372) in respect of the highest paid director.

Retirement benefits are accruing to no directors (2017: None).

P2G.COM WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

6 Operating profit

	2018 £'000	2017 £'000
Operating profit for the year is stated after charging:		
Exchange losses	1	62
Depreciation of owned tangible fixed assets	67	79
Amortisation of intangible assets	1,357	1,279
Share-based payments	67	119
Operating lease charges	55	30

The Group incurred research and development expenditure of £798k (2017: £508k). The costs are written off in the year in which they are incurred.

7 Auditor's remuneration

	2018 £'000	2017 £'000
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the group and company	4	2
Audit of the financial statements of the company's subsidiaries	16	18
	20	20

8 Interest payable and similar expenses

	2018 £'000	2017 £'000
Interest on bank overdrafts and loans	72	88

9 Taxation

	2018 £'000	2017 £'000
Current tax		
UK corporation tax on profits for the current period	350	224
Adjustments in respect of prior periods	27	(34)
Total current tax	377	190

P2G.COM WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

9 Taxation (Continued)

Deferred tax

Origination and reversal of timing differences	(7)	(4)
Changes in tax rates	-	(1)
Adjustment in respect of prior periods	(1)	2
	<u> </u>	<u> </u>
Total deferred tax	(8)	(3)
	<u> </u>	<u> </u>
 Total tax charge for the year	 369	 187
	<u> </u>	<u> </u>

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

	2018 £'000	2017 £'000
Profit before taxation	1,155	389
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	219	78
Tax effect of expenses that are not deductible in determining taxable profit	273	256
Adjustments in respect of prior years	27	(34)
Depreciation on assets not qualifying for tax allowances	2	4
Deferred tax adjustments in respect of prior years	(1)	2
Other differences/deduction for R&D expenditure	(152)	(119)
Adjust deferred tax to average rate	1	-
	<u> </u>	<u> </u>
Taxation charge for the year	369	187
	<u> </u>	<u> </u>

Factors affecting future tax charges

The main rate of corporation tax was reduced to 19% for financial years starting on 1 April 2017 and will be further reduced to 17% from 1 April 2020, thus aligning the main company rate and the small company rate. These reductions were substantively enacted on 6 September 2016.

P2G.COM WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

10 Intangible fixed assets

Group	Goodwill £'000	Software £'000	Total £'000
Cost			
At 1 April 2017	12,774	305	13,079
Additions - separately acquired	-	9	9
Additions - business combinations	1,152	-	1,152
At 31 March 2018	13,926	314	14,240
Amortisation and impairment			
At 1 April 2017	5,640	300	5,940
Amortisation charged for the year	1,354	3	1,357
At 31 March 2018	6,994	303	7,297
Carrying amount			
At 31 March 2018	6,932	11	6,943
At 31 March 2017	7,134	5	7,139

The company had no intangible fixed assets at 31 March 2018 or 31 March 2017.

11 Tangible fixed assets

Group	Leasehold Improvements £'000	Plant and Machinery £'000	Fixtures and Fittings £'000	Equipment £'000	Total £'000
Cost					
At 1 April 2017	387	50	88	138	663
Additions	6	3	3	20	32
At 31 March 2018	393	53	91	158	695
Depreciation and impairment					
At 1 April 2017	282	45	80	107	514
Depreciation charged in the year	42	3	4	18	67
At 31 March 2018	324	48	84	125	581
Carrying amount					
At 31 March 2018	69	5	7	33	114
At 31 March 2017	105	5	8	31	149

The company had no tangible fixed assets at 31 March 2018 or 31 March 2017.

P2G.COM WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

12 Fixed asset investments

	Notes	Group 2018 £'000	2017 £'000	Company 2018 £'000	2017 £'000
Investments in subsidiaries	13	-	-	15,307	13,938

Movements in fixed asset investments Company

	Shares in group undertakings £'000
Cost or valuation	
At 1 April 2017	13,938
Additions	1,302
Share based payment charge	67
At 31 March 2018	15,307
Carrying amount	
At 31 March 2018	15,307
At 31 March 2017	13,938

13 Subsidiaries

Details of the company's subsidiaries at 31 March 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	Indirect
Parcel2Go.com Limited	The Cube, Coe Street, Bolton, Lancashire, 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	-
ASB Trading Limited	The Cube, Coe Street, Bolton, BL3 6BU	Online parcel delivery services	Ordinary	100.00	-

ASB Trading Ltd has 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 given by the company under Section 479A of the Act is disclosed in note 22.

P2G.COM WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

14 Acquisitions

On 21 July 2017 the group acquired 100 percent of the issued capital of ASB Trading Limited 'trading as National Pallets' for consideration of £1,302k.

	Book Value £'000	Adjustments £'000	Fair Value £'000
Tangible fixed assets	24	(24)	-
Debtors	97	-	97
Creditors	(128)	-	(128)
Cash and cash equivalents	181	-	181
Total identifiable net assets	<u>174</u>	<u>(24)</u>	<u>150</u>
Goodwill			<u>1,152</u>
Total consideration			<u>1,302</u>
The consideration was satisfied by:			£'000
Cash			1,112
Deferred consideration			<u>190</u>
			<u>1,302</u>
Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:			£'000
Turnover			1,335
Profit after tax			<u>103</u>

Included in the cash figure above of £1,112k are stamp duty and other professional fees of £34k.

The results of the acquired entity have not been disclosed separately in the Consolidated Statement of Comprehensive Income as the impact is not considered material.

15 Debtors

	Group 2018 £'000	2017 £'000	Company 2018 £'000	2017 £'000
Amounts falling due within one year:				
Trade debtors	522	172	-	-
Other debtors	938	803	-	-
Prepayments and accrued income	475	399	-	32
	<u>1,935</u>	<u>1,374</u>	<u>-</u>	<u>32</u>

P2G.COM WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

16 Creditors: amounts falling due within one year

	Notes	Group 2018 £'000	2017 £'000	Company 2018 £'000	2017 £'000
Bank loans and overdrafts	18	1,500	250	1,500	250
Payments received on account		1,002	1,063	-	-
Trade creditors		5,302	4,939	-	-
Amounts due to group undertakings		-	-	7,172	5,476
Corporation tax payable		251	63	-	-
Other taxation and social security		507	315	-	-
Other creditors		201	-	190	-
Accruals and deferred income		4,037	2,210	14	16
		<u>12,800</u>	<u>8,840</u>	<u>8,876</u>	<u>5,742</u>

17 Creditors: amounts falling due after more than one year

	Notes	Group 2018 £'000	2017 £'000	Company 2018 £'000	2017 £'000
Bank loans and overdrafts	18	-	1,500	-	1,500
		<u>-</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>

18 Borrowings

	Group 2018 £'000	2017 £'000	Company 2018 £'000	2017 £'000
Bank loans	<u>1,500</u>	<u>1,750</u>	<u>1,500</u>	<u>1,750</u>
Payable within one year	1,500	250	1,500	250
Payable after one year	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>

The bank loan is supported by a £3m guarantee supported by a debenture together with an intercreditor agreement and the assignment of two Life Assurance Policies.

The movement in debt during the year comprises the repayment of £250k as disclosed in the cash flow statement.

P2G.COM WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

19 Financial instruments

	Group 2018 £'000	2017 £'000	Company 2018 £'000	2017 £'000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	1,460	975	n/a	n/a
Carrying amount of financial liabilities				
Measured at amortised cost	12,042	9,962	n/a	n/a

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

20 Provisions for liabilities

	Notes	Group 2018 £'000	2017 £'000	Company 2018 £'000	2017 £'000
Deferred tax liabilities	21	8	11	-	-

21 Deferred taxation

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

	Liabilities 2018 £'000	Liabilities 2017 £'000
Group		
Excess of capital allowances over depreciation on fixed assets	8	11

The company has no deferred tax assets or liabilities.

	Group 2018 £'000	Company 2018 £'000
Movements in the year:		
Liability at 1 April 2017	11	-
Credit to profit or loss	(3)	-
Liability at 31 March 2018	8	-

P2G.COM WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

22 Contingent liability

In order for ASB Trading Ltd to take the audit exemption in Section 479A of the Companies Act 2006, the company has guaranteed all outstanding liabilities of this subsidiary companies at 31 March 2018 until those liabilities are satisfied in full.

23 Retirement benefit schemes

	2018 £'000	2017 £'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	19	16

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.

24 Share Capital

	2018 No.	2018 £	2017 No.	2017 £
Ordinary 'A' shares of 0.001p each (2017: 1p)	94,227,499	942	87,417	874
Ordinary 'B' shares of 0.002p each (2017: 2p)	5,315,000	106	5,315	106
Ordinary 'C' shares of 0.003p each (2017: 3p)	-	-	2,092	63
Preference shares of £1 each	-	-	3,326,775	3,326,775
	99,542,499	1,048	3,331,599	3,237,818

The 'A' and 'B' Ordinary shares have full rights in respect of voting, rights to dividend and participation in capital distributions and full rights in winding up. In addition, the 'B' Ordinary shares shall carry not less than 5% of the voting rights, provided the nominal issued share capital of the Company does not exceed £4.9m. The 'C' Ordinary shares do not participate in dividends and are eligible for participation in capital distributions on winding up only after the 'A' and 'B' Ordinary shareholders have received not less than £13.9m.

The £1 Preferences shares rank in preference to the Ordinary shares in capital distribution including on winding up, up to the value of the shares, but have no voting rights and no rights to dividends or other income from the group. The preference shares are redeemable at the discretion of the company. During the year, all of the preferences shares were redeemed by the company.

Options have been granted to certain employees of Parcel2go.com Limited in respect of service under the P2G.com Worldwide Limited Enterprise Management Scheme. There are two share option plans. Whilst in respect of one of the plans there is a shareholder exit-only exercise condition, options in respect of the other plan are not subject to any exercise conditions. Options are exercisable at any time within 10 years of the grant date.

During the year, the company issued shares as part of a crowd funding project, which resulted in 5,440,499 'A' Ordinary shares being issued at various prices. Any amount above the nominal value of 0.001p has been recorded in share premium. Share premium balance is shown net of any project related expenditure and stands at £981k at 31 March 2018.

The company reclassified its 'C' ordinary shares as 'A' ordinary shares during the year, following the subdivision across all Ordinary shares which increased the number in issue but not the total amount of issued share capital.

P2G.COM WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

25 Other reserves

Equity-settled share option plan.

The group operates two equity settled-share option plans.

	2018 Options Number	Weighted average exercise price	2017 Options Number	Weighted average exercise price
Outstanding 1 April	6,178	£3.13	3,565	£2.05
Granted during year	860	£114.95	2,628	£4.59
Forfeited during year	-	n/a	(15)	£0.01
Exercised during year	(2,851)	£0.38	-	n/a
Expired during the year	-	n/a	-	n/a
Outstanding 31 March	4,187	£16.76	6,178	£3.13

During the year, the group recognised total share-based payment expenses of £67k (2017: £119k) in respect of equity-settled share-based payments.

The weighted average fair value of options granted in the year was determined using the Black-Scholes option pricing model. The Black-Scholes model is considered to apply the most appropriate valuation method to the relatively short contractual lives of the options and requirements to exercise within a short period after the employee becomes entitled to the shares (the "vesting date").

The assumptions within the Black-Scholes model for the fair value of share options granted are:

Risk-free interest: 0.97% (2017: 0.97%)
Expected volatility 20.0% (2017: 20.0%)
Expected return 5 years (2017: 5 years)

26 Purpose of reserves

Share premium

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

Share based payment

The cumulative share-based payment expense.

Capital redemption reserve

The nominal value of shares repurchased and still held at the end of the reporting date.

Profit and loss account

Cumulative profit and loss net of distribution to owners.

P2G.COM WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

27 Cash generated from group operations

	2018 £'000	2017 £'000
Profit for the year after tax	786	202
Adjustments for:		
Taxation charged	369	187
Finance costs	72	88
Amortisation and impairment of intangible assets	1,357	1,279
Depreciation and impairment of tangible fixed assets	67	79
Equity settled share based payment expense	67	119
Movements in working capital:		
(Increase) in debtors	(464)	(180)
Increase in creditors	2,272	2,394
Cash generated from operations	4,526	4,168

28 Operating lease commitments

Lessee

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

	Group 2018 £'000	2017 £'000	Company 2018 £'000	2017 £'000
Within one year	57	55	-	-
Between one and five years	152	211	-	-
	<u>209</u>	<u>266</u>	<u>-</u>	<u>-</u>

29 Related party transactions

Remuneration of key management personnel

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

	2018 £'000	2017 £'000
Aggregate compensation	1,010	942

P2G.COM WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

29 Related party transactions (Continued)

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 note 16.

Other related parties

The company's main premises and trading company's premises are rented at normal commercial rates from Sat Pro. There is an additional property used by the company and trading company which is rented out at normal commercial rates from Adams Mercer Properties, both of which are businesses that HPA Adams-Mercer and RHP Adams-Mercer are proprietors or partners. There have also been miscellaneous sales and purchases of goods and services with Sat Pro.

The group has traded in the normal course of business with Go Charitable Ltd, of which RHP Adams-Mercer is or was a director and shareholder. The group has also traded in the normal course of business with Cube Fulfilment Limited, of which HPA Adams-Mercer is or was a director and shareholder. The group has also traded in the normal course of business with FAM Satpro LLC, a company in which the daughter of HPA Adams-Mercer is a director, The group has also traded with Whistl Group Holdings Limited, a company in which James Greenbury is a director and shareholder.

During the year the group entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Group				
Other related parties	28	17	571	185

The following amounts were outstanding at the reporting end date:

	2018 £'000	2017 £'000
Amounts owed to related parties		
Group		
Other related parties	44	11

The following amounts were outstanding at the reporting end date:

	2018 Balance £'000	2017 Balance £'000
Amounts owed by related parties		
Group		
Other related parties	5	7

30 Controlling party

The directors do not consider there to be an ultimate controlling party.