

# P2G.COM Worldwide Limited

## Report and Consolidated Financial Statements

for the year ended

31 March 2016

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# P2G.COM Worldwide Limited

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# **P2G.COM Worldwide Limited**

## **Officers and Professional Advisors**

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### **Directors**

HPA Adams-Mercer  
RHP Adams-Mercer  
JB Greenbury  
SJ Kramer  
MJC Livingstone  
GS Manton  
CA Simpson

### **Business Address**

The Cube  
Coe Street  
Off Bridgeman Street  
Bolton  
Lancashire  
BL3 6BU

### **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  
BL1 1BN

# P2G.COM Worldwide Limited

## Strategic Report

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We have prepared this Strategic Report to accompany the Directors' Report and financial statements of the group.

### Principal activities and business review

The principal activity of the company during the period was that of an investment company whilst the principal activity of the group was the provision of online parcel delivery services.

Most of the growth has arisen in the UK through our main website [www.parcel2go.com](http://www.parcel2go.com). However we are also encouraged by sales through our international websites and white label operations.

Our white label operations, whereby we operate online direct-to-consumer/SME websites on behalf of major organisations, have contributed to the increase in turnover for the year.

Future developments of the group include the continued growth of the white label operations.

### Key Performance Indicators

We monitor performance each month by comparing actual performance against the previous year and against our annual budgets. We pay particular attention to the following key performance indicators:

	Year Ended to 31/3/16 £000	Group Year Ended to 31/3/15 £000
Turnover	43,908	40,752
Gross profit	8,167	7,374
Gross margin %	18.6%	18.1%
EBITDA	1,359	1,065
EBITDA%	3.1%	2.6%
Cash at bank carried forward	2,135	1,161
Shareholders' funds carried forward	2,728	4,541

Gross margin increased during the year and remains strong, as does EBITDA (earnings before interest, tax, depreciation and amortisation).

The group maintained satisfactory cash balances during the year. We believe that the shareholders' funds carried forward are reasonable and that the prospects for future growth are good.

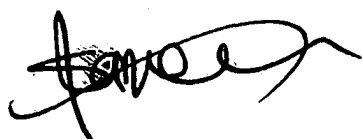
### Principal risks and uncertainties

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.

Signed on behalf of the directors



S J Kramer  
Director

Date: 20 / 12 / 2016

# P2G.COM Worldwide Limited

## Directors' report

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The directors present their report and the financial statements of the group for the year ended 31 March 2016.

### Results and dividends

The loss for the year amounted to £195k (2015 - £562K). The directors have not recommended a dividend.

### Directors

The directors who served the company during the year were as follows:

HPA Adams-Mercer  
RHP Adams-Mercer  
JB Greenbury  
SJ Kramer  
MJC Livingstone  
GS Manton  
CA Simpson

### Redemption of share capital

On 21st July 2015 the Company bought back 7,268 ordinary shares at the par value of 1p per share.

On 15th October 2015 the Company redeemed 1,618,388 preference shares at £1 each. Shares were redeemed to all preference shareholders pro rata on the basis of their respective shareholdings.

### Directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 company and the group and of the profit or loss of the group for that year.

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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.

### Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the group's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditor is aware of that information.

### 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

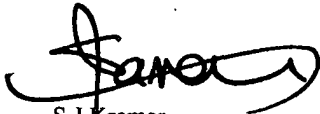
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### Auditor

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.

Signed on behalf of the directors

On behalf of the Board



S J Kramer  
Director

Date: 20 / 12 / 2016

# P2G.COM Worldwide Limited

## Independent Auditor's report to the members of P2G.com Worldwide Limited 31 March 2016

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We have audited the group and parent company financial statements ("the financial statements") of P2G.com Worldwide Limited for the year ended 31 March 2016 on pages 6 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

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.

### Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2016 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.



Anthony Steiner (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
3 Hardman Street  
Manchester  
M3 3HF

Date: 22/2/16

# P2G.COM Worldwide Limited

## Consolidated Income Statement

For the year ended 31 March 2016

		Year to 31 March 2016 £000	Year to 31 March 2015 £000
	Notes		
<b>Turnover</b>	1	43,908	40,752
Cost of sales		(35,741)	(33,378)
<b>Gross Profit</b>		8,167	7,374
Administrative expenses		(8,158)	(7,658)
<b>Operating profit/(loss)</b>		9	(284)
Interest payable and similar charges	6	(89)	(91)
<b>Loss on ordinary activities before taxation</b>		(80)	(375)
Tax on loss on ordinary activities	7	(115)	(187)
<b>Loss and total comprehensive loss for the financial year</b>		(195)	(562)



# P2G.COM Worldwide Limited

## Statements of Financial Position

31 March 2016

Company Registration No. 08212827

	Notes	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
<b>Fixed Assets</b>					
Intangible assets	9	8,418	9,688	-	-
Tangible assets	10	206	124	-	-
Investments	11	-	-	13,817	13,817
		<u>8,624</u>	<u>9,812</u>	<u>13,817</u>	<u>13,817</u>
<b>Current Assets</b>					
Debtors	12	1,194	825	52	22
Cash at bank and in hand		2,135	1,161	1	-
		<u>3,329</u>	<u>1,986</u>	<u>53</u>	<u>22</u>
<b>Creditors</b>					
Amounts falling due within one year	13	(7,461)	(7,252)	(5,401)	(5,361)
<b>Net Current Liabilities</b>		<u>(4,132)</u>	<u>(5,266)</u>	<u>(5,348)</u>	<u>(5,339)</u>
<b>Total Assets less Current Liabilities</b>		<u>4,492</u>	<u>4,546</u>	<u>8,469</u>	<u>8,478</u>
<b>Creditors</b>					
Amounts falling due after more than one year	14	(1,750)	-	(1,750)	-
<b>Provisions for liabilities</b>					
Deferred taxation	17	(14)	(5)	-	-
		<u>2,728</u>	<u>4,541</u>	<u>6,719</u>	<u>8,478</u>
<b>Capital and Reserves</b>					
Called-up share capital	20	3,238	4,856	3,238	4,856
Capital redemption reserve		1,643	-	1,643	-
Profit and loss account		(2,153)	(315)	1,838	3,622
<b>Shareholders' funds</b>		<u>2,728</u>	<u>4,541</u>	<u>6,719</u>	<u>8,478</u>

These financial statements were approved by the directors, authorised for issue on 20/12/16 and are signed on their behalf by:



G S Manton  
Director



S J Kramer  
Director

The notes on pages 11 to 28 form part of these financial statements.

**P2G.COM Worldwide Limited**  
**Consolidated Statement of Changes in Equity**  
**31 March 2016**

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**Consolidated Statement of Changes in Equity**

	<b>Share Capital £000</b>	<b>Capital redemption reserve £000</b>	<b>Profit &amp; Loss £000</b>	<b>Total £000</b>
<b>Balance at 1 April 2014</b>	<b>4,881</b>	-	<b>247</b>	<b>5,128</b>
<b>Year ended 31 March 2015</b>				
Loss and total comprehensive loss for the year	-	-	(562)	(562)
Redemption of preference share capital	(25)	-	-	(25)
<b>Balance at 31 March 2015</b>	<b>4,856</b>	-	<b>(315)</b>	<b>4,541</b>
<b>Year ended 31 March 2016</b>				
Loss and total comprehensive loss for the year	-	-	(195)	(195)
Redemption of preference share capital	(1,618)	-	-	(1,618)
Capital redemption reserve transfer	-	1,643	(1,643)	-
<b>Balance at 31 March 2016</b>	<b>3,238</b>	<b>1,643</b>	<b>(2,153)</b>	<b>2,728</b>

**P2G.COM Worldwide Limited**  
**Company Statement of Changes in Equity**  
**31 March 2016**

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	Share Capital £000	Capital redemption reserve £000	Profit & Loss £000	Total £000
<b>Balance at 1 April 2014</b>	<b>4,881</b>	-	(43)	<b>4,838</b>
<b>Year ended 31 March 2015</b>				
Profit and total comprehensive income for the year	-	-	3,665	3,665
Redemption of preference share capital	(25)	-	-	(25)
<b>Balance at 31 March 2015</b>	<b>4,856</b>	-	<b>3,622</b>	<b>8,478</b>
<b>Year ended 31 March 2016</b>				
Loss and total comprehensive loss for the year	-	-	(141)	(141)
Redemption of preference share capital	(1,618)	-	-	(1,618)
Capital redemption reserve transfer	-	1,643	(1,643)	-
<b>Balance at 31 March 2016</b>	<b>3,238</b>	<b>1,643</b>	<b>1,838</b>	<b>6,719</b>

# P2G.COM Worldwide Limited

## Consolidated Statement of Cash Flows

For the year ended 31 March 2016

	Notes	2016 £000	2015 £000
<b>Cash flows from operating activities</b>			
Cash generated from operations	21	1,435	1,411
Interest paid		(89)	(91)
Income taxes paid		(87)	(213)
<b>Net cash from operating activities</b>		<u>1,259</u>	<u>1,107</u>
<b>Investing activities</b>			
Purchase of tangible fixed assets		(160)	(32)
Purchase of intangible fixed assets		(7)	
Proceeds from disposal of tangible fixed assets		-	-
<b>Net cash used in investing activities</b>		<u>(167)</u>	<u>(32)</u>
<b>Financing activities</b>			
Proceeds of new borrowings		3,000	-
Repayment of borrowings		(1,500)	(1,500)
Redemption of preference share capital		(1,618)	(25)
<b>Net cash used in financing activities</b>		<u>(118)</u>	<u>(1,525)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>974</u>	<u>(450)</u>
<b>Cash and cash equivalents at beginning of year</b>		<u>1,161</u>	<u>1,611</u>
<b>Cash and cash equivalents at end of year</b>		<u><u>2,135</u></u>	<u><u>1,161</u></u>

# P2G.COM Worldwide Limited

## Notes to the Financial Statements

For the year ended 31 March 2016

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### General Information

P2G.COM Worldwide Limited ("the Company") is a limited company domiciled and incorporated in England.

The address of the Company's registered office and place of business is The Cube, Coe Street, Off Bridgeman Street, Bolton, Lancashire, BL3 6BU

The company's principal activity is that of an holding company. The principal activity of the group was the provision of online parcel delivery services.

### Accounting convention

These financial statements are the first financial statements of the group that have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention. The financial statements of P2G.COM Worldwide Limited for the period ended 31 March 2015 were prepared in accordance with applicable previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in retained earnings at the transition date.

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

### Going Concern

As part of its going concern review the directors have followed the guidelines published by the Financial Reporting Council entitled "Guidance on Risk Management and Internal Control and related Financial and Business Reporting". The directors have prepared detailed financial forecasts and cash flows looking 12 months ahead from the date the accounts are signed. In drawing up these forecasts the directors have made assumptions based upon their view of the current and future economic conditions that will prevail over the forecast period.

The current cash funding requirements prepared by management have given the directors a reasonable expectation that the company and group will have sufficient resources available to continue in operational existence for the foreseeable future, with the confirmed continued support of its bankers. For these reasons, the directors consider it appropriate to prepare the financial statements on a going concern basis.

### Basis of Consolidation

The consolidated financial statements incorporate those of P2G.Com Worldwide Limited 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 or merger method as appropriate. Their results are incorporated from the date that control passes. All financial statements are made up to 31 March each year.

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.

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.

# P2G.COM Worldwide Limited

## Notes to the Financial Statements

For the year ended 31 March 2016

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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 directly attributable costs.

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.

### Reduced disclosures

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

- Section 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' & 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

The financial statements of the Company are consolidated in the financial statements of P2G.COM Worldwide Limited.

### Turnover

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services to external customers in the ordinary nature of the business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax.

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.

### 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 probable 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 losses.

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

For the year ended 31 March 2016

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### Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 10 years. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

### Amortisation

Amortisation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the estimated useful economic life of that asset as follows:

Software	-	25% straight line
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### Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost, net of depreciation. Depreciation is provided on all tangible fixed assets, so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	-	25% reducing balance and 25% straight line
Leasehold Improvements	-	25% straight line
Plant & Machinery	-	25% reducing balance and 25% straight line
Equipment	-	25% straight line

Tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

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

### Impairment of fixed assets

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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.

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.

# P2G.COM Worldwide Limited

## Notes to the Financial Statements

For the year ended 31 March 2016

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### 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 lease asset are consumed.

### Investments in subsidiary undertakings

Long term investments are described as participating interests and are classified as fixed assets. Participating interests are stated at cost in the Company's balance sheet. Provision is made for any impairment in the value.

### 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 tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. 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 is not discounted.

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.

Current and deferred tax is charged or credited in 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 a net basis or to realise the asset and settle the liability simultaneously.

### 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 the 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.

### Financial instruments

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

Financial assets and financial liabilities are recognised when the Group/Company becomes a party to the contractual provisions of the instrument, and are offset only when the Group/Company currently has a legally



# P2G.COM Worldwide Limited

## Notes to the Financial Statements

For the year ended 31 March 2016

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enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### **Basic financial assets**

#### *Trade debtors*

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

#### *Cash and cash equivalents*

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

### **Financial liabilities and equity**

Financial instruments are classified as liabilities and equity instruments 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/Company after deducting all of its liabilities.

#### *Equity instruments*

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group/company.

#### *Trade creditors*

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

#### *Borrowings*

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently

# P2G.COM Worldwide Limited

## Notes to the Financial Statements

For the year ended 31 March 2016

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measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

### *Derecognition of financial assets and liabilities*

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, 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. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

### **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.

## **CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 accounting estimates and assumptions**

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. 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 discussed below.

#### *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.

### **1 Turnover**

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

An analysis of turnover is given below:

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# P2G.COM Worldwide Limited

## Notes to the Financial Statements

For the year ended 31 March 2016

	2016	2015
	£000	£000
United Kingdom	43,124	40,030
Rest of the European Union	784	722
	<u>43,908</u>	<u>40,752</u>

## 2 Operating Loss

Operating loss is stated after charging:

	2016	2015
	£000	£000
Amortisation of intangible assets	1,277	1,277
Depreciation of owned fixed assets	73	72
Auditors remuneration:		
- Parent	2	2
- Subsidiary	12	12
Operating lease costs:		
- Other	30	30
Loss on disposal of tangible fixed assets	5	-
Net loss on foreign currency translation	-	9
Non-recurring project costs - exceptional	-	257
	<u>-</u>	<u>257</u>

During the year ended 31 March 2015 the exceptional costs were in relation to a non-recurring project.

The Group has research and development expenditure of £285k (2015: £240k). The costs are written off in the year in which it is incurred.

## 3 Employees

Average number employed including executive directors:

	2016	2015
	No.	No.
Number of distribution staff – full time	1	3
Number of administrative staff – full time	70	57
Number of administrative staff – part time	82	58
Number of management staff – full time	7	7
Number of management staff – part time	3	2
	<u>163</u>	<u>127</u>

# P2G.COM Worldwide Limited

## Notes to the Financial Statements

For the year ended 31 March 2016

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The average payroll costs of the above were

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	2,801	2,157
Social security costs	253	190
Other pension costs	14	7
	<u>3,068</u>	<u>2,354</u>

#### 4 Directors' Emoluments

The directors' aggregate remuneration in respect of qualifying services were:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Remuneration receivable	635	433
Pension contributions	2	1
	<u>637</u>	<u>434</u>

Remuneration of highest paid director:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Total remuneration (excluding pension contributions)	<u>175</u>	<u>175</u>

There were pension contributions of £366 (2015 - £211) in respect of the highest paid director.

Gary Manton holds 400 'A' class ordinary share options.

#### 5 Retirement Benefits

The group operates a defined contribution scheme. The assets of the scheme are held separately from those of the company and independently administered funds. The pension cost charge represents contributions payable by the company to the fund and amounted to £14k (2015: £7k). No amounts were prepaid or accrued at the year end.

# P2G.COM Worldwide Limited

## Notes to the Financial Statements

For the year ended 31 March 2016

### 6 Interest payable and similar charges

	2016 £000	2015 £000
Interest payable on bank borrowing	89	89
Other interest payable	-	2
	<u>89</u>	<u>91</u>

### 7 Taxation

	2016 £000	2015 £000
Current tax:		
In respect of the year:		
UK corporation tax on profits of the period at 20% (2015: 21%)	160	188
Adjustments in respect of prior periods	(54)	-
Total current tax	<u>106</u>	<u>188</u>
Deferred taxation:		
Origination and reversal of timing differences	9	(1)
Total deferred tax charge	<u>9</u>	<u>(1)</u>
Tax on loss on ordinary activities	<u>115</u>	<u>187</u>

Factors affecting tax charge for period:	2016 £000	2015 £000
The tax assessed for the period differs from the standard rate of corporation tax in the UK of 20 % (2015: 21%). The differences are explained below:		
Loss on ordinary activities before tax	<u>(80)</u>	<u>(375)</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 21%)	(16)	(79)
Effects of:		
Fixed asset differences	5	5
Under/(over) provided in the year	(54)	-
Expenses not deductible for tax purposes	255	324
Other differences/deduction for R&D expenditure	(74)	(63)
Deferred tax differences	(1)	-
Total tax charge	<u>115</u>	<u>187</u>

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## Notes to the Financial Statements

For the year ended 31 March 2016

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### Factors affecting future tax charges

The main rate of corporation tax has been reduced from 21% to 20% in 2015/16. This will be further reduced to 19% for financial years starting on 1 April 2017 and then to 18% from 1 April 2020, thus aligning the main company rate and the small company rate. These reductions were substantively enacted on 26 October 2015.

### 8 Loss attributable to members of the parent company

The loss dealt with in the financial statements of the parent company was £141k (2015 – profit £3,665k).

### 9 Intangible fixed assets

	<b>Goodwill</b>	<b>Software</b>	<b>Total</b>
<b>Cost</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 April 2015	12,774	298	13,072
Additions	-	7	7
	<hr/>	<hr/>	<hr/>
At 31 March 2016	12,774	305	13,079
	<hr/>	<hr/>	<hr/>
<b>Amortisation</b>			
At 1 April 2015	3,086	298	3,384
Charge in year	1,277	-	1,277
	<hr/>	<hr/>	<hr/>
At 31 March 2016	4,363	298	4,661
	<hr/>	<hr/>	<hr/>
<b>Carrying amount</b>			
At 31 March 2016	8,411	7	8,418
	<hr/>	<hr/>	<hr/>
At 31 March 2015	9,688	-	9,688
	<hr/>	<hr/>	<hr/>

# P2G.COM Worldwide Limited

## Notes to the Financial Statements

For the year ended 31 March 2016

### 10 Tangible fixed assets

	Plant and Machinery £000	Fixtures and fittings £000	Equipment £000	Leasehold Improvements £000	Total £000
<b>Cost</b>					
At 1 April 2015	92	82	109	245	528
Additions	2	4	16	138	160
Disposals	(47)	-	-	-	(47)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2016	47	86	125	383	641
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
At 1 April 2015	82	72	78	172	404
Charge for the year	2	4	14	53	73
Disposals	(42)	-	-	-	(42)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2016	42	76	92	225	435
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>					
At 31 March 2016	5	10	33	158	206
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2015	10	10	31	73	124
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

### 11 Investments

	Investments £000
Company	
31 March 2015 and 31 March 2016	<hr/> 13,817 <hr/>

The undermentioned is the subsidiary company, which is incorporated in England and consolidated in the group accounts.

	Proportion of issued capital held	Principal activity
Parcel2Go.com Limited	100% ordinary shares	Online parcel delivery service

# P2G.COM Worldwide Limited

## Notes to the Financial Statements

For the year ended 31 March 2016

### 12 Debtors

	Group 31 March 2016 £000	Group 31 March 2015 £000	Company 31 March 2016 £000	Company 31 March 2015 £000
Trade debtors	82	25	-	-
Other debtors	896	679	-	-
Prepayments and accrued income	216	121	52	22
	<u>1,194</u>	<u>825</u>	<u>52</u>	<u>22</u>

### 13 Creditors: Amounts Falling Due within One Year

	Group 31 March 2016 £000	Group 31 March 2015 £000	Company 31 March 2016 £000	Company 31 March 2015 £000
Bank loans	1,250	1,500	1,250	1,500
Payments received on account	798	838	-	-
Trade creditors	3,818	4,060	-	-
Amounts due to group undertakings	-	-	4,133	3,849
Corporation tax	78	59	-	-
PAYE and social security	76	63	-	-
VAT	196	72	-	-
Accruals and deferred income	1,245	660	18	12
	<u>7,461</u>	<u>7,252</u>	<u>5,401</u>	<u>5,361</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	Group 31 March 2016 £000	Group 31 March 2015 £000	Company 31 March 2016 £000	Company 31 March 2015 £000
Bank loans	<u>1,250</u>	<u>-</u>	<u>1,250</u>	<u>-</u>

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



# P2G.COM Worldwide Limited

## Notes to the Financial Statements

For the year ended 31 March 2016

### 14 Creditors: Amounts Falling Due after more than One Year

	Group 31 March 2016 £000	Group 31 March 2015 £000	Company 31 March 2016 £000	Company 31 March 2015 £000
Bank loans	1,750	-	1,750	-

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	Group 31 March 2016 £000	Group 31 March 2015 £000	Company 31 March 2016 £000	Company 31 March 2015 £000
Bank loans and overdrafts	1,750	-	1,750	-

### 15 Borrowings

Loans repayable included within creditors are analysed as follows:

	Group 31 March 2016 £000	Group 31 March 2015 £000	Company 31 March 2016 £000	Company 31 March 2015 £000
Amounts repayable:				
In one year or less or on demand	1,250	1,500	1,250	1,500
In more than one year but not more than two years	1,750	-	1,750	-
In more than two years but not more than five years	-	-	-	-
	3,000	1,500	3,000	1,500

### 16 Financial Instruments

	Group	
	2016 £000	2015 £000
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	978	704
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	8,828	7,058

# P2G.COM Worldwide Limited

## Notes to the Financial Statements

For the year ended 31 March 2016

### 17 Deferred Taxation

The movement in the deferred taxation provision during the year was:

	<b>Group 31 March 2016 £000</b>	<b>Group 31 March 2015 £000</b>	<b>Company 31 March 2016 £000</b>	<b>Company 31 March 2015 £000</b>
At 1 April 2015				
Profit and loss account movement during the year	5	6	-	-
	9	(1)	-	-
At 31 March 2016	<u>14</u>	<u>5</u>	<u>-</u>	<u>-</u>

The group's liability for deferred taxation consists of the tax effect of timing differences in respect of:

<b>Group</b>	<b>2016 Provided £000</b>	<b>2015 Provided £000</b>
Excess of taxation allowances over depreciation on fixed assets	14	5
	<u>14</u>	<u>5</u>

### 18 Commitments under Operating Leases

At 31 March 2016 the group had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings 2016 £000</b>	<b>Land and buildings 2015 £000</b>
Operating leases which expire:		
Within 1 year	30	30
Within 2 to five years	20	50
	<u>50</u>	<u>80</u>

### 19 Ultimate Controlling Party

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

# P2G.COM Worldwide Limited

## Notes to the Financial Statements

For the year ended 31 March 2016

### 20 Share Capital and Reserves

	2016	2016	2015	2015
	No.	£	No.	£
Ordinary 'A' shares of £0.01 each	87,417	874	94,685	947
Ordinary 'B' shares of £0.02 each	5,315	106	5,315	106
Ordinary 'C' Shares of £0.03 each	2,092	63	2,092	63
Preference shares of £1 each	3,236,775	3,236,775	4,855,163	4,855,163
	<u>3,331,599</u>	<u>3,237,818</u>	<u>4,957,255</u>	<u>4,856,279</u>

The 'A', 'B' and 'C' Ordinary shares have full rights in respect of voting and rank pari passu in respect of rights to dividends and participation in capital distributions and full rights in winding up.

On 21 July 2015 7,268 'A' Ordinary shares of £0.01 each were cancelled from the share capital of the Group.

The £1 Preference shares rank in preference to the Ordinary shares in a 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 1,618,388 (2015 - 25,000) preference shares were redeemed at par.

Options have been granted to certain employees of Parcel2Go.com Limited in respect of service under the P2G.com Worldwide Limited Enterprise Management Scheme, at the redeemable option price of 1p per share. The options are exercisable at any time within 10 years from the grant date in the event of a sale, liquidation or change in control of the group.

At 31 March 2016 options had been granted and had not expired in respect of 3,576 'A' Ordinary shares under this scheme (2015: 2,517 options). No options were exercised during the period.

The company has not applied the provisions of Section 26 of FRS 102 to the options above, as the share option charge is deemed immaterial by the Directors.

In respect of the shares redeemed at par a capital redemption reserve has been created which has resulted in a transfer of reserves for £1,643,338 in which £25,000 relates to the prior year.

# P2G.COM Worldwide Limited

## Notes to the Financial Statements

For the year ended 31 March 2016

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### 21 Notes to Statement of Cash Flows

#### Reconciliation of loss after tax to net cash generated from/ (used in) operations

	2016 £000	2015 £000
Loss for the year	(195)	(562)
Amortisation	1,277	1,277
Depreciation	73	72
Loss on disposal of tangible fixed assets	5	-
Interest payable	89	91
Taxation	115	187
	<hr/>	<hr/>
Operating cash flows before movements in working capital	1,364	1,065
	<hr/>	<hr/>
Increase in debtors	(369)	(210)
Increase in creditors	440	556
	<hr/>	<hr/>
Cash generated from operations	1,435	1,411
	<hr/>	<hr/>

### 22 Related Party Transactions

#### Remuneration of key management personnel

The total remuneration of the individuals who are considered to be key management personnel was £936k (2015: £566k).

#### Transactions with related party companies

The group's main premises are rented at normal commercial rates from Sat Pro and Adams Mercer Properties, businesses of which HPA Adams-Mercer and RHP Adams-Mercer are proprietors or partners.. In the previous year, the group sold a motor vehicle to Sat Pro for £5K, which was considered to be market value.

The group has traded in the normal course of business with Charon International Ltd (trading as The Snugg) and Go Charitable Ltd, companies of which RHP Adams-Mercer is or was a director and shareholder. The group has also traded in the normal course of business with TopBrands2Go.com and Cube Fulfilment Limited, companies of which HPA Adams-Mercer is or was a director and shareholder.

M Brown is a shareholder of the Company. Felicitas Media Ltd and Renatus IT Limited have provided services to the group and M Brown is a director of both of these companies.

# P2G.COM Worldwide Limited

## Notes to the Financial Statements

For the year ended 31 March 2016

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### 22 Related Party Transactions (*continued*)

Purchases from related parties during period:	2016 £000	2015 £000
Sat Pro	61	57
Adams-Mercer Prop	10	12
Go Charitable Ltd	1	-
Felicitas Media Ltd	-	19
Renatus IT	8	177
Cube Fulfilment	29	-
Sales to related parties during the period:		
Sat Pro	12	13
Go Charitable Ltd	1	2
Felicitas Media Ltd	-	11
Cube Fulfilment	15	-
Charon International Ltd (t/a The Snugg)	8	12
Amounts owed by (to) related parties at year-end:		
Sat Pro	3	(4)
Felicitas Media Ltd	-	5
Charon International Ltd (t/a The Snugg)	1	2
Adams-Mercer Properties	(2)	-
Total	<u>2</u>	<u>3</u>

# P2G.COM Worldwide Limited

## Notes to the Financial Statements

For the year ended 31 March 2016

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### 23 First time adoption of FRS 102

Reconciliation of Equity	Notes	1 April 2014	31 March 2015
		£000	£000
Equity as reported under previous UK GAAP		5,140	4,561
Adjustments arising from transition to FRS 102:			
Holiday pay	1	(12)	(20)
Equity reported under FRS 102		<u>5,128</u>	<u>4,541</u>
Reconciliation of Profit/(loss)			
Loss as reported under previous UK GAAP			(554)
Adjustments arising from transition to FRS 102:			
Holiday pay	1		(8)
Loss reported under FRS 102			<u>(562)</u>

#### Notes to the reconciliations on adoption of FRS 102:

##### 1) Holiday pay

FRS 102 requires holiday pay to be accrued as a liability and therefore at transition date, 1 April 2014, an accrual of £12,000 has been recognised. At the comparative balance sheet date the accrual was recognised at £20,000 meaning the movement of £8,000 has been recognised in the statement of total comprehensive income at 31 March 2015.