P2G.COM WORLDWIDE LIMITED

CONSOLIDATED
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

Company Registration Number 08212827

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P2G.COM WORLDWIDE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

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OFFICERS AND PROFESSIONAL ADVISERS

YEAR ENDED 31 MARCH 2014

The board of 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	Baker Tilly UK Audit LLP Chartered Accountants 3 Hardman Street Manchester M3 3HF
Bankers	National Westminster Bank Plc 24 Deansgate Bolton Lancashire BL1 1BN

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.

We are satisfied with the results of the group as shown in these financial statements and by the key performance indicators below.

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

We launched our white label operations during the year, whereby we operate online direct-to-consumer websites on behalf of major organisations. This contributed to the increase in turnover for the year and is expected to grow.

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:

	Group		
	Year Ended to 31/3/14 £000	13/9/12 to 31/3/13 £000	Adjusted change £000
Turnover	35,839	12,184	16.9%
Gross profit	7,846	3,031	2.8%
Gross margin %	21.9%	24.9%	(3.0%)
EBITDA	2,080	790	4.6%
EBITDA %	5.8%	6.5%	(0.7%)
Cash at bank carried forward	1,611	2,049	(21.4%)
Shareholders' funds carried forward	5,140	4,911	4.6%

2014 represents the year to 31 March 2014 and includes a full year of trading. The 2013 figures include just 145 days of trading and we have adjusted the percentage changes accordingly.

Gross margin fell slightly during the year in response to market factors, but remains strong, as does EBITDA (earnings before interest, tax, depreciation and amortisation).

We were able to reduce our borrowings during the year whilst maintaining satisfactory cash balances. 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 company as being increased completion. 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 Company.

Signed on behalf of the directors

JB Greenbury

Director

Approved by the directors on 24 November 2014

The directors present their report and the financial statements of the group for the year ended 31 March 2014.

Results and dividends

The profit for the year amounted to £229K (2013: £30K). The directors have not recommended a dividend.

Restatement of comparatives

An amount of £89k previously reflected in administrative expenses has been reallocated to cost of sales as in the directors' opinion this more accurately reflects the nature of the cost.

Financial risk management objectives and policies

The company and group makes little use of financial instruments other than an operational bank account, bank borrowings and loan notes and consider its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company or group.

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 (appointed 1 July 2013)
CA Simpson

The following changes occurred after the period end

GS Manton was appointed a director on the 29 April 2014

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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are, individually, aware:

- there is no relevant audit information of which the group's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Strategic report

The business review and financial risk management sections previously included in the Director's Report are now disclosed in the accompanying Strategic Report.

Auditor

RSM Tenon Audit Limited changed its name to Baker Tilly Audit Limited on 30 September 2013. Having been notified of the cessation of trade of Baker Tilly Audit Limited on 31 March 2014, the directors appointed Baker Tilly UK Audit LLP as Auditor on 1 April 2014 to fill the casual vacancy. In accordance with the Companies Act 2006 a resolution proposing the confirmation of this appointment will be put to the members.

Signed on behalf of the directors

JB Greenbury

Director

Approved by the directors on 24 November 2014

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

We have audited the group and parent company financial statements ("the financial statements") of P2G.com Worldwide Limited for the year ended 31 March 2014 on pages 8 to 24. 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).

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 pages 4 to 5, 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 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 2014 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.

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

Baker Tilly UK Audit LLP

Baker Tilly UK Audit LLP, Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

25 November 2014

P2G.COM WORLDWIDE LIMITED

GROUP PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2014

	Note	Year to 31 Mar 14 £000	*Restated Period from 13 Sep 12 to 31 Mar 13 £000*
Group turnover	2	35,839	*12,184*
Cost of sales		(27,993)	*(9,153)*
Gross Profit		7,846	*3,031*
Administrative expenses		(7,110)	*(2,798)*
Operating Profit	3	736	*233*
Interest receivable		3	*3*
Interest payable and similar charges	6	(137)	*(71)*
Profit on ordinary activities before taxation		602	*165*
Tax on profit on ordinary activities	7	(373)	*(135)*
Profit for the financial year	8	229	*30*

All of the activities of the group are classed as continuing.

The group has no recognised gains or losses other than the results for the year as set out above.

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account.

The notes on pages 12 to 24 form part of these financial statements.

P2G.COM WORLDWIDE LIMITED

GROUP BALANCE SHEET

31 MARCH 2014

	Note	2014 £000	2014 £000	*2013 £000*	*2013 £000*
Fixed assets					
Intangible assets	9		10,965		*12,242*
Tangible assets	10		169		*172*
			11,134		*12,414*
Current assets					
Debtors	12	615		*531*	
Cash at bank and in hand		1,611		*2,049*	
		2,226		*2,580*	
Creditors: Amounts falling due within one year	13	(6,714)		*(6,740)*	
Net current liabilities			(4,488)		*(4,160)*
Total assets less current liabilities			6,646		*8,254*
Creditors: Amounts falling due after more than one year	14		(1,500)		*(3,343)*
Provisions for liabilities					
Deferred taxation	16		(6)		-
			5,140		*4,911*
Capital and reserves					
Called-up share capital	19		4,881		*4,881*
Profit and loss account	20		259		*30*
Shareholders' funds	21		5,140		*4,911*

These accounts were approved by the directors and authorised for issue on 24 November 2014, and are signed on their behalf by:

GS Manton

JB Greenbury

The notes on pages 12 to 24 form part of these financial statements.

P2G.COM WORLDWIDE LIMITED

Registered Number 08212827

BALANCE SHEET

31 MARCH 2014

	Note	2014 £000	2014 £000	*2013 £000*	*2013 £000*
Fixed assets					
Investments	11		13,817		*13,817*
Current assets					
Debtors		59		-	
Cash at bank		27		*283*	
		86		*283*	
Creditors: Amounts falling due within one year	14	(7,565)		*(5,779)*	
Net current liabilities			(7,479)		*(5,496)*
Total assets less current liabilities			6,338		*8,321*
Creditors: Amounts falling due after more than one year	15		(1,500)		*(3,343)*
			4,838		*4,978*
Capital and reserves					
Called-up share capital	19		4,881		*4,881*
Profit and loss account	20		(43)		*97*
Shareholders' funds			4,838		*4,978*

These accounts were approved by the directors and authorised for issue on 24 November 2014, and are signed on their behalf by:

GS Manton

JB Greenbury

The notes on pages 12 to 24 form part of these financial statements.

P2G.COM WORLDWIDE LIMITED

GROUP CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2014

	Note	Year to 31 Mar 14 £000	£000	*Period from 13 Sep 12 to 31 Mar 13* *£000*	*£000*
Net cash inflow from operating activities	22		3,149		*1,860*
Returns on investments and Servicing of finance					
Interest received		3		*3*	
Interest paid		(137)		*(71)*	
Net cash outflow from returns on investments and servicing of finance			(134)		*(68)*
Taxation			(757)		*(360)*
Capital expenditure					
Payments to acquire tangible fixed assets		(64)		*(31)*	
Net cash outflow from capital expenditure			(64)		*(31)*
Acquisitions and disposals					
Cash paid to acquire trade/business		–		*(4,959)*	
Net cash acquired with trade/business		–		*3,953*	
Net cash outflow from acquisitions and disposals			–		*(1,006)*
Cash inflow before financing			2,194		*395*
Financing					
Issue of equity share capital		–		*1*	
Increase in bank loans		1,346		*1,653*	
Repayment of loan notes		(3,978)		-	
Net cash (outflow)/inflow from financing			(2,632)		*1,654*
(Decrease)/increase in cash	22		(438)		*2,049*

The notes on pages 12 to 24 form part of these financial statements.

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Going concern

As part of its going concern review the directors have followed the guidelines published by the Financial Reporting Council entitled "Going Concern and Liquidity Risk: Guidance for UK Companies 2009". 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 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.

Restatement of comparatives

An amount of £89k previously reflected in administrative expenses has been reallocated to cost of sales as in the directors' opinion this more accurately reflects the nature of the cost.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over ten years from the year of acquisition. The results of companies acquired or disposed of are included in the group profit and loss account after or up to the date that control passes respectively. As a consolidated group profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Related parties transactions

The company has taken advantage of the exemption in FRS 8 from disclosing transactions with wholly owned group companies.

Turnover

The turnover shown in the profit and loss accounts represents the value of all services delivered during the year, at selling price exclusive of Value Added Tax. Sales are recognised at the point at which the group has fulfilled its contractual obligation to the customer.

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. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. 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.

1. Accounting policies ***(continued)***

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:

Goodwill - 10% straight line

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition.

Depreciation

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

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

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet at their fair value and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax, or a right to receive repayments of tax.

Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the average tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1. Accounting policies *(continued)*

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions, or at an average rate for the period if the rates do not fluctuate significantly. Monetary assets and liabilities are translated at year end exchange rates or, where appropriate, at rates of exchange fixed under the terms of the relevant transaction. The resulting exchange rate differences are charged to the profit and loss account.

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement.

Financial instruments which are assets are stated at cost less any provision for impairment. Financial liabilities are stated at principal capital amounts outstanding at the period end. Issue costs relating to financial liabilities are deducted from the outstanding balance and are amortised over the period to the due date for repayment of the financial liability.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. A financial liability is any contractual arrangement for an entity to deliver cash to the holder of the associated financial instrument.

Investments

Investments in subsidiary and associated undertakings are stated at cost, provision being made where appropriate to recognise a permanent diminution in value.

2. Turnover

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

An analysis of turnover is given below:

	Year to 31 Mar 14 £000	*Period from 13 Sep 12 to 31 Mar 13 £000*
United Kingdom	35,351	*12,064*
Rest of the European Union	488	*120*
	35,839	*12,184*

3. Operating profit

Operating profit is stated after charging:

	Year to 31 Mar 14 £000	*Period from 13 Sep 12 to 31 Mar 13 £000*
Amortisation of intangible assets	1,277	*532*
Depreciation of owned fixed assets	67	*25*
Auditors remuneration:		
- Parent	4	*2*
- Subsidiary	8	*4*
Operating lease costs:		
- Other	30	*12*
Net loss on foreign currency translation	7	*6*

4. Particulars of employees

The average number of staff employed by the group during the financial year amounted to:

	Year to 31 Mar 14 No.	*Period from 13 Sep 12 to 31 Mar 13 No.*
Number of distribution staff - full time	4	*5*
Number if distribution staff - part time	–	*1*
Number of administrative staff - full time	49	*41*
Number of administrative staff - part time	49	*47*
Number of management staff - full time	6	*6*
Number of management staff - part time	2	*1*
	110	*101*

The aggregate payroll costs of the above were:

	Year to 31 Mar 14 £000	*Period from 13 Sep 12 to 31 Mar 13 £000*
Wages and salaries	1,767	*831*
Social security costs	155	*86*
	1,922	*917*

5. Directors' remuneration

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

	Year to 31 Mar 14 £000	*Period from 13 Sep 12 to 31 Mar 13 £000*
Remuneration receivable	417	*291*

Remuneration of highest paid director:

	Year to 31 Mar 14 £000	*Period from 13 Sep 12 to 31 Mar 13 £*
Total remuneration (excluding pension contributions)	176	*90*

No directors had any share options at any time during the year.

6. Interest payable and similar charges

	Year to 31 Mar 14 £000	*Period from 13 Sep 12 to 31 Mar 13 £000*
Interest payable on bank borrowing	29	*47*
Interest on other loans	108	*24*
	137	*71*

7. Taxation on ordinary activities

(a) Analysis of charge in the year

	Year to 31 Mar 14 £000	**£000**	*Period from 13 Sep 12 to 31 Mar 13 £000*	*£000*
UK Corporation tax		437		*138*
Overprovision in prior years		(74)		*-*
Tax on profit on ordinary activities		363		*138*
Deferred tax:				
Origination and reversal of timing differences	10		*(3)*	
Total deferred tax (note 16)		10		*(3)*
Tax on profit on ordinary activities		373		*135*

7. Taxation on ordinary activities *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 23% (2013 – 24%).

	Year to 31 Mar 14 £000	*Period from 13 Sep 12 to 31 Mar 13 £000*
(Loss)/profit on ordinary activities before taxation	602	*165*
Profit on ordinary activities by rate of tax	139	*40*
Effects of:		
Expenses not deductible for tax purposes	305	*130*
Adjustment to tax charge in respect of prior years	(74)	-
Difference in tax rates	-	*(38)*
Short term timing differences	(7)	*7*
Total current tax (note 7(a))	363	*138*

(c) Factors that may affect future tax charges

Reductions in the UK Corporation Tax rate from 23% to 21% for the tax year 2014/15 and to 20% for the tax year 2015/16 were substantively enacted on 2 July 2013. This will reduce the company's future tax charge accordingly and the deferred tax balance at 31 March 2014 has been calculated at this reduced rate.

8. Loss attributable to members of the parent company

The loss dealt with in the financial statements of the parent company was £140K (2013: profit of £97K).

9. Intangible fixed assets

Group	Goodwill £000
Cost	
At 1 April 2013 and 31 March 2014	12,774
Amortisation	
At 1 April 2013	532
Charge for the year	1,277
At 31 March 2014	1,809
Net book value	
At 31 March 2014	10,965
At 31 March 2013	*12,242*

10. Tangible fixed assets

Group

	Plant & Machinery £000	Fixtures & Fittings £000	Motor Vehicles £000	Equipment £000	Leasehold improve-ments £000	Total £000
Cost						
At 1 Apr 2013	87	76	36	369	198	766
Additions	4	4	–	13	43	64
At 31 Mar 2014	91	80	36	382	241	830
Depreciation						
At 1 Apr 2013	71	58	27	357	81	594
Charge for the year	5	9	2	7	44	67
At 31 Mar 2014	76	67	29	364	125	661
Net book value						
At 31 Mar 2014	15	13	7	18	116	169
At 31 Mar 2013	*16*	*18*	*9*	*12*	*117*	*172*

11. Investments

Company	Group companies £000
Cost	
At 1 April 2013 and 31 March 2014	13,817
Net book value	
At 31 March 2014 and 31 March 2013	13,817

The investment represents 100% interest in Parcel2Go.com Limited, a company incorporated in England providing an online parcel delivery service.

12. Debtors

	Group 2014 £000	*2013 £000*	*Company* 2014 £000	*2013 £000*
Trade debtors	30	*69*	–	–
Other debtors	454	*367*	–	–
Deferred taxation (Note 16)	-	*4*	–	–
Prepayments and accrued income	131	*91*	59	–
	615	*531*	59	–

13. Creditors: Amounts falling due within one year

	Group		Company	
	2014	*2013*	**2014**	*2013*
	£000	*£000*	**£000**	*£000*
Loan notes	-	*1,326*	-	*1,326*
Bank loans	1,500	*963*	1,500	*963*
Payments received on account	638	*458*	–	–
Trade creditors	2,063	*1,805*	–	–
Amounts owed to group undertakings	–	–	6,044	*3,450*
Directors' loan accounts	–	*2*	–	–
Other creditors including taxation and social security:				
Corporation tax	89	*483*	–	–
PAYE and social security	46	*47*	–	–
VAT	359	*258*	–	–
Accruals and deferred income	2,019	*1,398*	21	*40*
	6,714	*6,740*	7,565	*5,779*

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

	Group		Company	
	2014	*2013*	**2014**	*2013*
	£000	*£000*	**£000**	*£000*
Bank loans	1,500	*963*	1,500	*963*

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.

14. Creditors: Amounts falling due after more than one year

	Group		Company	
	2014	*2013*	**2014**	*2013*
	£000	*£000*	**£000**	*£000*
Loan notes	-	*2,652*	-	*2,652*
Bank loans and overdrafts	1,500	*691*	1,500	*691*
	1,500	*3,343*	1,500	*3,343*

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

	Group		Company	
	2014	*2013*	**2014**	*2013*
	£000	*£000*	**£000**	*£000*
Bank loans and overdrafts	1,500	*691*	1,500	*691*

15. Borrowings

Loans repayable included within creditors are analysed as follows:

	Group		*Company*	
	2014	*2013*	**2014**	*2013*
	£000	*£000*	**£000**	*£000*
Amounts repayable:				
In one year or less or on demand	1,500	*2,289*	1,500	*2,289*
In more than one year but not more than two years	1,500	*2,017*	1,500	*2,017*
In more than two years but not more than five years	–	*1,326*	–	*1,326*
	3,000	*5,632*	3,000	*5,632*

In accordance with FRS 4, an amount of £112.5K has been capitalised and offset against bank borrowings: of this amount £37.5K (2013: £15.6K) has been expensed in the period.

16. Deferred taxation

The movement in deferred taxation during the year was:

	Group		*Company*	
	Year to 31 Mar 14	*Period from 13 Sep 12 to 31 Mar 13*	**Year to 31 Mar 14**	*Period from 13 Sep 12 to 31 Mar 13*
	£000	*£000*	**£000**	*£000*
(Asset) brought forward	(4)	-	-	-
Increase in (asset)/liability	10	*(4)*	-	-
Liability/(asset) carried forward	6	*(4)*	-	-

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

Group	**2014**		*2013*	
	Provided	**Unprovided**	*Provided*	*Unprovided*
	£000	**£000**	*£000*	*£000*
Excess of taxation allowances over depreciation on fixed assets	6	-	*3*	-
Other timing differences	-	-	*(7)*	-
	6	-	*(4)*	-

17. Commitments under operating leases

At 31 March 2014 the group had annual commitments under non-cancellable operating leases as set out below.

	Land and Buildings 2014 £000	Land and buildings 2013 *£000*
Operating leases which expire:		
Within 2 to 5 years	30	*30*

18. Related party transactions

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. There have also been miscellaneous sales and purchases of goods and services with Sat Pro.

The group has also 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 Ltd, a company of which HPA Adams-Mercer is or was a director and shareholder.

M Brown is a shareholder and a former employee of the Company. Since February 2014 he has also been a director of Felicitas Media Ltd, who have provided services to the Company.

In addition to the amounts due from trading, loans were also made to Charon International Ltd on an arm's length basis with interest receivable at 0.5% per month. The balance was repaid at the time of the reorganisation.

	2014 £000	2013 £000
Purchases from (sales to) related parties during period:		
Sat Pro - miscellaneous	(21)	(2)
Sat Pro - rent & service charges	73	23
Adams-Mercer Prop. - rent & service charges	12	4
Charon International Ltd (t/a The Snugg)	(10)	(15)
Go Charitable Ltd	(4)	(7)
TopBrands2Go.com Ltd	1	-
Felicitas Media Ltd - Consultancy	119	-
Felicitas Media Ltd – Miscellaneous	(1)	-
Total	**169**	**3**
Amounts owed by (to) related parties at year-end:		
Sat Pro	(3)	(1)
Adams-Mercer Properties	-	(3)
Charon International Ltd (t/a The Snugg)	1	3
Total	**(2)**	**(1)**

18. Related party transactions *(continued)*

	2014	2013
	£000	£000
Loan to Charon International Ltd:		
Balance outstanding at the year-end	-	-
Interest received during the year	-	15

As part of the purchase of the entire share capital of Parcel2Go.com Limited loan notes of £3,978K were issued to Mr HPA Adams-Mercer and close family members. The loan notes were paid during the period. The loan notes were unsecured and interest was charged at Libor + 1%. An amount of £29K (2013: £24K) in respect of interest has been charged to the company during the period.

19. Share capital

Allotted, called up and fully paid:

	2014		*2013*	
	No	**£**	*No*	£
Ordinary 'A' shares of £0.01 each	94,685	947	*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	-	-
Preference shares of £1 each	4,880,164	4,880,164	*4,880,164*	*4,880,164*
	4,982,256	4,881,280	*4,980,164*	*4,881,217*

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.

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.

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 2014 options had been granted and had not expired in respect of 2035 'A' Ordinary shares under this scheme (2013:1909 options). No options were exercised during the period.

The company has not applied the provisions of FRS 20 to the options above as the share option charge is deemed immaterial by the Directors.

20. Reserves

Group	Profit and loss account £000
Balance brought forward	30
Profit for the year	229
Balance carried forward	259

Company	Profit and loss account £000
Balance brought forward	97
Loss for the year	(140)
Balance carried forward	(43)

21. Reconciliation of movements in shareholders' funds

	2014 £000	*2013* *£000*
Profit for the financial year	229	*30*
New ordinary share capital subscribed	–	*1*
New preference share capital subscribed	–	*4,880*
Net addition to shareholders' funds	229	*4,911*
Opening shareholders' funds	4,911	–
Closing shareholders' funds	5,140	*4,911*

22. Notes to the cash flow statement

Reconciliation of operating (loss)/profit to net cash inflow from operating activities

	Year to 31 Mar 14 £000	*Period from 13 Sep 12 to 31 Mar 13* *£000*
Operating profit	736	*233*
Amortisation	1,277	*532*
Depreciation	67	*25*
(Increase)/decrease in debtors	(88)	*769*
Increase in creditors	1,157	*301*
Net cash inflow from operating activities	3,149	*1,860*

22. Notes to the cash flow statement *(continued)*

Reconciliation of net cash flow to movement in net debt

	2014 £000	2014 £000	*2013 £000*	*2013 £000*
(Decrease)/increase in cash in the period	(438)		*2,049*	
Net cash outflow/(inflow) from bank loans	2,632		*(1,653)*	
Change in net debt resulting from cash flows		2,194		*396*
Charge in net debt due to acquisition of business		-		*(3,979)*
Movement in net debt in the period		2,194		*(3,583)*
Net debt at 1 April 2013		(3,583)		–
Net debt at 31 March 2014		(1,389)		*(3,583)*

Analysis of changes in net debt

	At 1 April 2013 £000	Cash flows £000	At 31 March 2014 £000
Net cash:			
Cash in hand and at bank	2,049	(438)	1,611
Debt:			
Debt due within 1 year	(2,289)	789	(1,500)
Debt due after 1 year	(3,343)	1,843	(1,500)
	(5,632)	2,632	(3,000)
Net debt	(3,583)	2,194	(1,389)

23. Ultimate controlling party

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

24. Restatement of comparatives

An adjustment of £89k has been made between administrative expenses and cost of sales in respect of certain sales related costs as this is considered a more appropriate presentation by the directors.