Company Registration No. 08212827 (England and Wales)

P2G.COM WORLDWIDE LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2020

P2G.COM WORLDWIDE LIMITED

COMPANY INFORMATION

Directors	RHP Adams-Mercer JB Greenbury
Company number	08212827
Registered office	The Cube Coe Street Bolton Lancashire BL3 6BU
Auditor	RSM UK Audit LLP Chartered Accountants 3 Hardman Street Manchester M3 3HF
Bankers	HSBC Bank PLC 60 Queen Victoria Street London EC4N 4TR

P2G.COM WORLDWIDE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present the strategic report for the year ended 31 March 2020

Review of the business and key performance indicators
Parcel2Go the UK's leading parcel delivery comparison website and provider of parcel delivery technology to over one million customers is pleased to announce its full year results covering the twelve months to 31 March 2020

Year ending March 31	**2019/20 £000**	**2018/19 £000**	**Percentage change**
Gross revenue*	103 288	91 553	12 8%
Statutory revenue	92 974	82,706	12 4%
Gross profit	14 537	12 637	15 0%
EBITDA before exceptional items	4 352	3 702	17 6%
EBITDA% before exceptional items	4 7%	4 5%	0 2%
Net cash in Bank	8 734	7 386	18 3%

**A small part of our Gross Revenue is not reflected in our Statutory Revenue. due to the nature of certain carrier agreements however management considers increases in gross revenue to be the key driver of growth*

Gross Revenue increased by 12 8% in the year reflecting the underlying growth in the online parcel delivery market and an increase in the Group s market share Gross profit increased by 15 0% in the year benefitting from revenue growth and changes in sales mix

The Group incurred £937k of exceptional costs during the year of which £413k related to the acquisition of the Group by Hadlee Bidco Limited and £524k related to share based payment charges Excluding these exceptional costs EBITDA (earnings before interest tax depreciation and amortisation) grew by 17 6% Share based payment charges for the year increased to £524k from £99k This large increase resulted from all outstanding share options being exercised during the year causing an accelerated charge Excluding this the EBITDA margin is slightly improved on last year

During the year the Group has maintained strong cash balances benefitting from profits generated and a favourable working capital cycle which benefitted from the increased trading activity of the subsidiary companies Notwithstanding the cash flows associated with the acquisition of the business, Group cash ended the year 18 3% higher than last March

The Group has two core businesses

- **Branded websites in the UK, Ireland and Spain, providing consumers and small businesses with access to a comprehensive range of domestic and international parcel and pallet delivery services at highly competitive prices.**
  In the UK. its largest market. Parcel2Go offers a quick easy and low-cost alternative for parcel delivery disrupting the way consumers and micro businesses send parcels that would traditionally be sent via the Post Office
- **White label direct-to-consumer/SME websites hosted and operated on behalf of major couriers, marketplaces and other organisations in the UK and other markets**
  Parcel2go provides its clients with access to customers and markets they are otherwise unable to reach and serve cost-effectively

Growth in Group revenues reflects strong growth from all divisions Our UK website www.parcel2go.com has benefitted from increased adoption of ecommerce channels among consumers and SMEs. the success of our marketing and customer retention activity and continued investment in both Customer Service and IT Our white label business has benefitted from increased revenues from several of its major accounts We are also encouraged by continued sales growth from our Parcel2Go branded international websites and our National Pallets business

Future developments
Parcel2Go is a low-cost business model operating at significant scale and in a highly efficient way The model can be deployed to source and service business cost-effectively for the Group s own-brand sites or for white label clients It is well positioned to benefit from growth in e-commerce and the gradual erosion of the Post Office s market share and through its scale advantage to continue to offer highly competitive pricing in all its markets

The Group was acquired by Hadlee Bidco Limited on 3rd December 2019 providing the business with access to additional expertise and capital The directors therefore anticipate organic growth of the UK market to continue alongside 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**
  The business operates in a highly competitive sector, but the directors consider continued investment a focus on service quality and scale advantages will enable the business to retain its market-leading position
- **Brexit**
  The couriers we work with have prepared contingency plans for how they will cope with a no-deal Brexit and we remain in regular dialogue with them The business already treats deliveries to non-EU countries differently, so the transition is not expected to cause any material disruption
- **Financial Risk Management**
  The Company and Group have no third-party debt and limited exposure to movements in foreign currency The directors keep financial risks under review but currently consider that exposures to price risk credit risk liquidity risk and cash flow risk are not material to the financial position or results of the Group or Company
- **Liabilities to couriers**
  Under its contracts with carriers the Group is potentially liable for damages resulting from damage caused to people or property resulting from parcels incorrectly packaged or containing dangerous or illegal contents This risk is mitigated by taking steps via the website to ensure that customers are aware of and follow the courier guidelines in relation to parcel packaging and contents
- **Covid 19**
  The lockdown put in place in March 2020 to deal with the Covid 19 outbreak resulted in dramatic increases in parcel volumes which while putting strain on the courier networks and requiring a rapid adoption of home-working across the business were of benefit to Group revenues and caused minimal operational disruption The directors do not consider a further outbreak to represent a material risk to the Group

Section 172(1) Statement
Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith would most likely promote the success of the Group for the benefit of its members as a whole In doing this section 172 requires the directors to have regard to amongst other matters

- the likely consequences of any decisions in the long-term
- the interests of the Group s employees
- the need to foster the Group s business relationships with suppliers, customers and others
- the impact of the Group s operations on the community and environment
- the desirability of the Group maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between the members of the Group

Section 172(1) Statement (continued)

In discharging their section 172 duties the Directors have regard to all the matters set out above. Authority for day to day management of the Group is delegated to an executive leadership team. The Directors are provided with information in a variety of formats to ensure they are able to discharge their Section 172 duties and engage with the executive team regularly in:

- setting, approving and executing business strategy plans and policies,
- reviewing business performance,
- managing risk, and
- decisions relating to material business initiatives and other matters

The Directors and executive team operate the business in a responsible manner with the aim of ensuring that the Group maintains a reputation for high standards of business conduct and good governance. The Group has policies in place in relation to conduct and standards, anti-bribery and corruption measures, equal opportunities and diversity, and modern slavery. The Group's statement on modern slavery can be found on the Group's website (www.parcel2go.com)

The Group's key stakeholders are its employees, customers, clients, suppliers and investors and the Directors have regard to the views of all these stakeholders in their decision making. Engagement with these stakeholders occurs through various channels, including:

- **Employees**. the executive team provides regular briefings on performance and other matters to employees as a whole, in addition to one-to-one coaching and development provided through line management. The Group operates equity incentive schemes which allow employees of the Group who meet eligibility criteria to participate in the growth value of the business
- **Customers** customers of the Group's price comparison sites benefit from a wide product range at highly competitive prices. Customers are encouraged to provide feedback which forms a key performance indicator for the business and informs IT development activity intended to improve user-experience
- **Clients** the Group maintains close relationships with its white label clients though open and transparent relationships, dedicated account management and regular meetings. Contract terms ensure that the interests of the Group and its Clients are closely aligned
- **Suppliers** the Group's key suppliers are the couriers offering product through its websites. The Group provides these couriers with cost effective access to segments of the market which they otherwise find difficult to reach. The Group maintains close relationships with its carriers though regular feedback and periodic meetings. Contract terms ensure that the interests of the Group and its suppliers are closely aligned
- **Investors** the Group's ultimate holding company is Hadlee Holdco Limited. The relationship between the Group and Hadlee Holdco Limited is governed by an investment agreement which ensures that planning, reporting and decision-making processes and mandates are clear. The Directors attend monthly meetings with the directors of Hadlee Holdco Limited and Hadlee Bidco Limited to brief them on Group performance and material business initiatives.

Outside the day to day operation of the business, the two principal decisions taken by the board during the year ended 31st March 2020 were the payment of a dividend of £2,029k in June 2019 and agreement to the sale of a majority stake in December 2019

- The decision to pay a dividend was taken to allow all shareholders, including employee shareholders, to see a tangible financial benefit from the success of the Group
- Similarly, the decision to sell a majority stake in the Group to Hadlee Bidco Limited in December was taken to allow all shareholders, including employee shareholders, to realise a proportion of the value in their shareholdings while providing the Group with access to new investment capital and expertise aligned with its future strategy and plans

On behalf of the board

JB Greenbury
Director
Date 24/9/20

P2G.COM WORLDWIDE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their annual report and financial statements for the year ended 31 March 2020

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	(Resigned 3 December 2019)
RHP Adams-Mercer	
JB Greenbury	
MJC Livingstone	(Resigned 3 December 2019)
SJ Kramer	(Resigned 3 December 2019)
CA Simpson	(Resigned 3 December 2019)

Results and dividends

The results for the year are set out on page 10 The directors proposed that a final dividend of £0 02 per ordinary share was paid to the shareholders on the Register of Members on 20th June 2019 With an issued share capital of 101 471 699 ordinary shares on the date the dividends were voted this resulted in a total dividend payment of £2,029 434 The directors propose no further dividends to be paid

Research and development

The group incurred research and development expenditure of £727k (2019 £786k) 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

Strategic report

The group has chosen in accordance with Companies Act 2006 s 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.

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

P2G.COM WORLDWIDE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Carbon reporting

The group's energy consumption primarily relates to power required for light and computer equipment in its offices in Bolton and Malton. The company uses modern energy-efficient computer hardware. Equipment and lights are turned off when not required.

A small number of employees (7 in the year ended 31 March 2020) use their vehicles for travel required by their roles. Employees are encouraged to travel to meetings by car only when absolutely necessary and the latter part of the year saw an increase in video conferencing, which is likely to reduce the prevalence of face to face meetings and the associated travel in future.

During the year, the group consumed 198,157kWh of energy comprising 168,996kWh from electricity and 29,161kWh from transport activities involving the consumption of fuel. Electricity consumption data has been extracted from the company's utility bills. Transport consumption has been derived from employee vehicle expense claims and converted into kWh using data derived from

These measures have been converted into Carbon Dioxide equivalent (CO2e) emissions equating to 51.4 tonnes of CO2e or 4.2g of CO2e per parcel using the UK Government's Greenhouse Gas reporting conversion factors for 2019.

On behalf of the board

JB Greenbury
Director

Date 24/9/20

P2G.COM WORLDWIDE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

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
- 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 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 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement 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 2020 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.

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 6 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

29 September 2020

P2G.COM WORLDWIDE LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £'000	2019 £'000
Turnover	3	92 974	82 706
Cost of sales		(78.437)	(70 069)
Gross profit		14.537	12 637
Analysis of administrative expenses			
Administrative expenses - normal		(11.735)	(10,397)
Administrative expenses - exceptional	4	(937)	-
Total administrative expenses		(12.672)	(10,397)
Other operating income		87	-
Operating profit	7	1 952	2.240
Interest receivable and similar income	9	119	2
Interest payable and similar expenses	10	-	(25)
Profit before taxation		2 071	2.217
Tax on profit	11	(508)	(426)
Profit for the financial year		1.563	1.791

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

Company Registration No 08212827

P2G.COM WORLDWIDE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020

		2020		2019	
	Notes	**£'000**	**£'000**	**£'000**	**£'000**
Fixed assets					
Goodwill	**13**		4 148		5 540
Other intangible assets	**13**		4		8
Total intangible assets			4 152		5,548
Tangible assets	**14**		109		123
			4 261		5,671
Current assets					
Debtors	**17**	9 143		2,346	
Cash at bank and in hand		8 734		7 386	
		17 877		9 732	
Creditors: amounts falling due within one year	**18**	(18,217)		(11,857)	
Net current liabilities			(340)		(2 125)
Total assets less current liabilities			3 921		3 546
Provisions for liabilities	**19**		(12)		(10)
Net assets			3,909		3 536
Capital and reserves					
Called up share capital	**23**		1		1
Share premium account	**25**		2,105		981
Capital redemption reserve	**25**		4 880		4 880
Other reserves	**25**		-		285
Profit and loss reserves	**25**		(3 077)		(2 611)
Total equity			3 909		3 536

The financial statements were approved by the board of directors and authorised for issue on 24/09/20 and are signed on its behalf by

JB Greenbury
Director

Company Registration No. 08212827

P2G.COM WORLDWIDE LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020

		2020		2019	
	Notes	**£'000**	**£'000**	**£'000**	**£'000**
Fixed assets					
Investments	**14**		15,930		15,406
Current assets					
Debtors	**17**	7,134		-	
Cash at bank and in hand		263		-	
		7,397		-	
Creditors: amounts falling due within one year	**18**	(15,933)		(8,894)	
Net current liabilities			(8,536)		(8,894)
Total assets less current liabilities			7,394		6,512
Capital and reserves					
Called up share capital	**23**		1		1
Share premium account	**25**		2,105		981
Capital redemption reserve	**25**		4,880		4,880
Other reserves	**25**		-		285
Profit and loss reserves	**25**		408		365
Total equity			7,394		6,512

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 £2,072k (2019: loss of £25k).

The financial statements were approved by the board of directors and authorised for issue on 24/07/20 and are signed on its behalf by

JB Greenbury
Director

P2G.COM WORLDWIDE LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Share capital	Share premium account	Capital redemption reserve	Other reserves	Profit and loss reserves	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2018		1	981	4,880	186	(4,402)	1,646
Year ended 31 March 2019:							
Profit and total comprehensive income for the year		-	-	-	-	1,791	1,791
Share-based payment reserve	**24**	-	-	-	99		99
Balance at 31 March 2019		1	981	4,880	285	(2,611)	3,536
Year ended 31 March 2020:							
Profit and total comprehensive income for the year		-	-	-	-	1,563	1,563
Issue of share capital		-	315	-	-	-	315
Dividends	**12**	-	-	-	-	(2,029)	(2,029)
Share-based payment reserve	**24**	-	-	-	524	-	524
Transfer		-	809	-	(809)		-
Balance at 31 March 2020		1	2,105	4,880	-	(3,077)	3,909

P2G.COM WORLDWIDE LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

	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 2018		1	981	4 880	186	390	6 438
Year ended 31 March 2019:							
Loss and total comprehensive income for the year		-	-	-	-	(25)	(25)
Share-based payment reserve	**24**	-	-	-	99	-	99
Balance at 31 March 2019		1	981	4,880	285	365	6,512
Year ended 31 March 2020:							
Profit and total comprehensive income for the year		-	-	-	-	2,072	2,072
Issue of share capital		-	315	-	-	-	315
Dividends	**12**	-	-	-	-	(2 029)	(2,029)
Share-based payment reserve	**24**	-	-	-	524	-	524
Transfer		-	809	-	(809)	-	-
Balance at 31 March 2020		1	2,105	4,880	-	408	7 394

P2G.COM WORLDWIDE LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Cash flows from operating activities					
Cash generated from operations	**26**		6 371		4 001
Interest paid			-		(25)
Income taxes paid			(703)		(478)
Net cash inflow from operating activities			5 668		3 498
Investing activities					
Purchase of tangible fixed assets		(53)		(76)	
Interest received		119		2	
Net cash generated from/(used in) investing activities			66		(74)
Financing activities					
Proceeds from issue of shares		315		-	
Loan to parent		(2 672)		-	
Repayment of bank loans		-		(1,500)	
Dividends paid to equity shareholders		(2 029)		-	
Net cash used in financing activities			(4 386)		(1.500)
Net increase in cash and cash equivalents			1 348		1 924
Cash and cash equivalents at beginning of year			7 386		5 462
Cash and cash equivalents at end of year			8 734		7.386

P2G.COM WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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 Bolton 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') as amended by the triennial review 2017 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

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 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 2020

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 2020 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

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled The deferred tax recognised is adjusted against goodwill or negative goodwill

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 low net current asset 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

The Covid-19 outbreak has had a positive impact on the business with an increase in parcel volumes and has had minimal impact on operations The directors do not consider the outbreak to have any impact on the going concern of the business

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

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

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 where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably the intangible asset arises from contractual or other legal rights and the intangible asset is separable from the entity

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

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

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

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

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 assets 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

1 **Accounting policies (Continued)**

Equity instruments
Equity instruments issued by the group are recorded at the fair value of proceeds received net of transaction 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

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 profit or loss 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

The research and development expenditure of the group does not meet the above conditions and is therefore expensed as incurred

1 Accounting policies (Continued)

RDEC tax credit

RDEC tax credits are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the conditions will be met and the tax credit will be received

The tax credit receivable is recognised within other operating income

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 and the charge incurred during the year was £524k (2019 £99k)

3 Turnover and other revenue

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

All the company's turnover is generated from it's principal activity

	2020	2019
	£'000	£'000
Other revenue		
Interest income	119	2

P2G.COM WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

3 Turnover and other revenue (Continued)

	2020 £'000	2019 £'000
Turnover analysed by geographical market		
United Kingdom	90 446	80 630
Rest of the European Union	2 528	2 076
	92 974	82 706

4 Exceptional costs

	2020 £'000	2019 £'000
Exceptional costs	937	-

The exceptional costs relating to the acquisition of P2G com Worldwide Limited by Hadlee Bidco Limited have been charged to the statement of comprehensive income The exceptional costs also included an amount of £524k in respect of the share based payment charge which arose on the exercise of the remaining share options and which was accelerated as a result of the shortening in the time-frame over which these were being recognised

5 Employees

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Number of administrative staff - full time	105	95	-	-
Number of administrative staff - part time	101	101	-	-
Number of management staff - full time	8	8	-	-
Number of management staff - part time	5	5	-	-
	219	209	-	-

Their aggregate remuneration comprised

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Wages and salaries	5 245	4 585	-	-
Social security costs	450	388	-	-
Pension costs	74	45	-	-
	5,769	5,018	-	-

P2G.COM WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

5 Employees (Continued)

Included within wages and salaries is an amount of £524k (2019 £99k) relating to equity-settled share-based payments

In April 2019 1 316 000 options were granted with 153.000 shares options forfeited during the year In June 2019 1.929 000 of the share options were exercised and on 3 December 2019 the remaining 3 167 000 share options were exercised and shares in P2G com Worldwide Limited were issued to the employees holding share options

6 Directors' remuneration

	2020	2019
	£'000	£'000
Remuneration for qualifying services	270	285
Company pension contributions to defined contribution schemes	4	3
	274	288

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

	2020	2019
	£'000	£'000
Remuneration for qualifying services	140	140
Company pension contributions to defined contribution schemes	1	-

There were pension contributions of £1 305 (2019 £806) in respect of the highest paid director

Included in other creditors at 31 March 2020 are retirement benefits accruing to directors of £274 (2019 £475)

7 Operating profit

	2020	2019
	£'000	£'000
Operating profit for the year is stated after charging		
Exchange losses	18	5
Depreciation of owned tangible fixed assets	67	67
Amortisation of intangible assets	1 396	1 395
Share-based payments	524	99
Operating lease charges	72	69

The Group incurred research and development expenditure of £727k (2019 £786k) The costs are written off in the year in which they are incurred

8 Auditor's remuneration

	2020	2019
Fees payable to the company's auditor and its associates	£'000	£'000
For audit services		
Audit of the financial statements of the group and company	4	4
Audit of the financial statements of the company's subsidiaries	20	19
	24	23
For other services		
Taxation compliance services	5	4
All other non-audit services	24	8
	29	12

9 Interest receivable and similar income

	2020	2019
	£'000	£'000
Interest income		
Interest on bank deposits	9	2
Interest receivable from group companies	110	-
Total income	119	2

10 Interest payable and similar expenses

	2020	2019
	£'000	£'000
Interest on bank overdrafts and loans	-	25

11 Taxation

	2020	2019
	£'000	£'000
Current tax		
UK corporation tax on profits for the current period	456	556
Adjustments in respect of prior periods	4	(84)
Total current tax	460	472

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

11 Taxation (Continued)

Deferred tax

Origination and reversal of timing differences	51	(47)
Changes in tax rates	(4)	-
Adjustment in respect of prior periods	1	1
Total deferred tax	48	(46)
Total tax charge	508	426

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

	2020 £'000	2019 £'000
Profit before taxation	2 071	2 217
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	393	421
Tax effect of expenses that are not deductible in determining taxable profit	448	285
Adjustments in respect of prior years	4	(84)
Other permanent differences	(390)	-
Share based payment charge		(48)
Deferred tax adjustments in respect of prior years	1	1
Other differences/deduction for R&D expenditure	54	(155)
Adjust deferred tax to average rate	(4)	6
Fixed asset differences	2	-
Taxation charge	508	426

Factors affecting future tax charges

The main rate of corporation tax will remain unchanged at 19% from 1 April 2020

12 Dividends

	2020 £'000	2019 £'000
Final paid	2 029	-

The directors proposed that a final dividend of £0.02 per ordinary share was paid to the shareholders on the Register of Members on 20th June 2019

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

13 Intangible fixed assets

Group	Goodwill	Software	Total
	£'000	£'000	£'000
Cost			
At 1 April 2019 and 31 March 2020	13,926	314	14 240
Amortisation and impairment			
At 1 April 2019	8 386	306	8 692
Amortisation charged for the year	1 392	4	1 396
At 31 March 2020	9 778	310	10 088
Carrying amount			
At 31 March 2020	4 148	4	4,152
At 31 March 2019	5 540	8	5 548

The company had no intangible fixed assets at 31 March 2020 or 31 March 2019

14 Tangible fixed assets

Group	Leasehold improvements	Plant and Machinery	Fixtures and Fittings	Equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2019	437	53	103	178	771
Additions	23	-	2	28	53
At 31 March 2020	460	53	105	206	824
Depreciation and impairment					
At 1 April 2019	367	50	89	142	648
Depreciation charged in the year	41	2	5	19	67
At 31 March 2020	408	52	94	161	715
Carrying amount					
At 31 March 2020	52	1	11	45	109
At 31 March 2019	70	3	14	36	123

The company had no tangible fixed assets at 31 March 2020 or 31 March 2019

15 Fixed asset investments

		Group		Company	
		2020	2019	2020	2019
	Notes	£'000	£'000	£'000	£'000
Investments in subsidiaries	16	-	-	15 930	15 406

Movements in fixed asset investments
Company

	Shares in group undertakings £'000
Cost or valuation	
At 1 April 2019	15,406
Share based payment charge	524
At 31 March 2020	15 930
Carrying amount	
At 31 March 2020	15 930
At 31 March 2019	15 406

Share options were granted and exercised in P2G com Worldwide Limited as the employees are employed by subsidiary Parcel2go Limited The share based payment charge in P2G com Worldwide Limited is recognised as a capital contribution to Parcel2go Limited and is an increase in the investment as noted above

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

16 Subsidiaries

Details of the company's subsidiaries at 31 March 2020 are as follows

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
ASB Trading Limited	The Cube Coe Street, Bolton 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	-
Parcel2Go com Limited	The Cube Coe Street Bolton BL3 6BU	Online parcel delivery services	Ordinary	100 00	-
P2G USA Limited	The Cube, Coe Street, Bolton Lancashire, United Kingdom BL3 6BU	Dormant	Ordinary	100 00	-
P2G Nominees Limited	The Cube, Coe Street Bolton Lancashire BL3 6BU	Activities of head offices	Ordinary	100 00	-

ASB Trading Ltd P2G Nominees Limited and P2G USA Limited have 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 21

17 Debtors

	Group 2020	Group 2019	Company 2020	Company 2019
Amounts falling due within one year:	**£'000**	**£'000**	**£'000**	**£'000**
Trade debtors	519	536	-	-
Amounts owed by group undertakings	7 390	-	7 134	-
Other debtors	707	1 137	-	-
Prepayments and accrued income	524	625	-	-
	9 140	2 298	7 134	-
Amounts falling due after more than one year:				
Deferred tax asset (note 20)	3	48	-	-
Total debtors	9 143	2,346	7 134	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

18 Creditors: amounts falling due within one year

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Payments received on account	1 387	1,282	-	-
Trade creditors	4,237	5 124	-	-
Amounts owed to group undertakings	4 718	-	15 912	8 894
Corporation tax payable	3	245	21	-
Other taxation and social security	1 144	631	-	-
Other creditors	15	-	-	-
Accruals and deferred income	6 713	4.575	-	-
	18 217	11.857	15 933	8 894

19 Provisions for liabilities

	Notes	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Deferred tax liabilities	**20**	12	10	-	-

20 Deferred taxation

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

Group	Liabilities 2020 £'000	Liabilities 2019 £'000	Assets 2020 £'000	Assets 2019 £'000
Share based payments	-	-	3	48
Excess of capital allowances over depreciation on fixed assets	12	10	-	-
	12	10	3	48

The company has no deferred tax assets or liabilities

Movements in the year:	Group 2020 £'000	Company 2020 £'000
Liability/(asset) at 1 April 2019	(38)	-
Charge to profit or loss	47	-
Liability at 31 March 2020	9	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

21 Contingent liability

In order for ASB Trading Ltd P2G Nominees Limited and P2G USA Limited to take the audit exemption in Section 479A of the Companies Act 2006 the company has guaranteed all outstanding liabilities of these subsidiary companies at 31 March 2020 until those liabilities are satisfied in full

22 Retirement benefit schemes

Defined contribution schemes	2020 £'000	2019 £'000
Charge to profit or loss in respect of defined contribution schemes	74	45

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 At the year end there were outstanding pension commitments of £14 508 (2019 £8 392)

23 Share Capital

	2020 No.	2020 £	2019 No.	2019 £
Ordinary 'A' shares of 0 001p each	99 323 699	993	94 227 449	942
Ordinary 'B' shares of 0 002p each	5,315,000	106	5 315,000	106
	104,638,699	**1,099**	**99,542,499**	**1,048**

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

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 All share options were exercised during the year

During the year the issued share capital was increased to £1,099 This was a result of the exercise of share options where 5,096 200 shares with a nominal value of 0 001p each were exercised

P2G.COM WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

24 Other reserves

Equity-settled share option plan

The group operates two equity settled-share option plans

	2020 Options Number	Weighted average exercise price	2019 Options Number	Weighted average exercise price
Outstanding 1 April	4 055	£14 47	4 187	£16 76
Granted during year	1 316	£178 08	-	n/a
Forfeited during year	(275)	£65 63	(132)	£87 18
Exercised during year	(5 096)	£62 34	-	n/a
Expired during the year	-	n/a	-	n/a
Outstanding 31 March	-	n/a	4 055	£14 47

During the year the group recognised total share-based payment expenses of £524k (2019 £99k) in respect of equity-settled share-based payments As there was a change in ownership of the business during the year all share options were exercised during the year

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% (2019 0 97%)
Expected volatility 20 0% (2019 20 0%)
Expected return 5 years (2019 5 years)

25 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

26 Cash generated from group operations

	2020 £'000	2019 £'000
Profit for the year after tax	1 563	1 791
Adjustments for		
Taxation charged	508	426
Finance costs	-	25
Investment income	(119)	(2)
Amortisation and impairment of intangible assets	1 396	1 395
Depreciation and impairment of tangible fixed assets	67	67
Equity settled share based payment expense	524	99
Movements in working capital		
Decrease/(increase) in debtors	548	(363)
Increase in creditors	1 884	563
Cash generated from operations	6 371	4 001

27 Analysis of changes in net funds - group

	1 April 2019 £'000	Cash flows £'000	31 March 2020 £'000
Cash at bank and in hand	7 386	1 348	8 734

28 Financial commitments, guarantees and contingent liabilities

The Group acts as a guarantor in respect of borrowings under a loan agreement between Hadlee Bidco Limited the intermediate parent of the Company and HSBC Bank plc At the year-end, the outstanding borrowings subject to this guarantee were £17 2m

29 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 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Within one year	72	72	-	-
Between one and five years	108	163	-	-
In over five years	36	53	-	-
	216	288	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

30 Related party transactions

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

	2020 £'000	2019 £'000
Aggregate compensation	735	701

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 17 and 18

Other related parties
The company's main premises and trading company's premises, together with additional property used by the company and trading company are rented out at normal commercial rates from entities in which HPA Adams-Mercer and RHP Adams-Mercer are proprietors or partners

The group has also traded in the normal course of business with a number of entities in which HPA Adams-Mercer RHP Adams-Mercer and a close family member are directors and/or shareholders The group has also traded in the normal course of business with two companies 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	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Group				
Other related parties	7	40	161	629

The following amounts were outstanding at the reporting end date

Amounts due to related parties	2020 £'000	2019 £'000
Group		
Other related parties	8	42

The following amounts were outstanding at the reporting end date

Amounts due from related parties	2020 £'000	2019 £'000
Group		
Other related parties	1	8

P2G.COM WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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31 Controlling party

On 3 December 2019 the entire share capital of P2G.com Worldwide Limited was purchased by Hadlee Bidco Limited. The ultimate parent company at the year end is Hadlee Holdco Limited.

The directors consider the ultimate controlling party to be Hadlee Holdco Limited.