

Registration number: 01658317

Delivered UK Ltd

Annual Report and Financial Statements

for the Year Ended 31 May 2016.



Delivered UK Ltd

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Delivered UK Ltd

Company Information

Directors	Mr J J Barber Mr A R Barber
Registered office	375 Stirling Road Cressex Business Park High Wycombe Buckinghamshire HP12 3ST
Auditors	Milsted Langdon LLP Chartered Accountants and Statutory Auditors Winchester House Deane Gate Avenue Taunton Somerset TA1 2UH

Delivered UK Ltd

Strategic Report for the Year Ended 31 May 2016

The Directors present their strategic report for the year ended 31 May 2016.

Principal activity

The principal activity of the company is providing a courier and express delivery service.

Fair review of the business

The Directors are pleased to announce positive results for the year ended 31 May 2016 with a significant increase in turnover and increased gross profit margins. These increases have resulted in a 41% increase in profit before tax. The figures reported relate to the 3 depots which the company operates from in Wycombe, Slough and Portsmouth. The company continues to work closely with APC, the delivery network provider, in all of the company's depots.

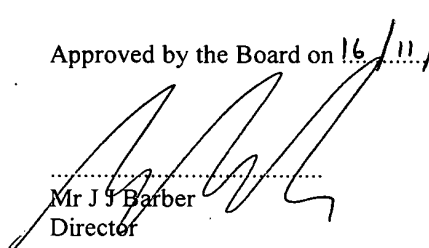
The Company's key financial and other performance indicators during the year were as follows:

	Unit	2016	2015
Turnover	£	9,997,866	9,151,472
Gross Profit	£	2,233,554	1,976,637
Gross Profit margin	%	22	22

Principal risks and uncertainties

The Directors have reviewed the industry in which the company operates and consider that there are no significant risks and uncertainties that need disclosing within this report. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Approved by the Board on 16/11/16 and signed on its behalf by:



Mr J J Barber
Director

Delivered UK Ltd

Directors' Report for the Year Ended 31 May 2016

The Directors present their report and the financial statements for the year ended 31 May 2016.

Directors of the Company

The director who held office during the year was as follows:

Mr J J Barber

The following director was appointed after the year end:

Mr A R Barber (appointed 1 June 2016)

Financial instruments

Objectives and policies

The company's operations expose it to a variety of financial risks that include the effects of changes in market prices, credit risk, liquidity risk, interest rate risk and foreign exchange rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company.

Price risk, credit risk, liquidity risk and cash flow risk

Price risk

The company is exposed to price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to price risk exceed any potential benefits.

Credit risk

The company has implemented policies for its finance operations that require appropriate credit checks on potential customers before finance is given. The nature of the company's main operations does not give rise to significant credit risk.

Liquidity risk

The company actively maintains a mixture of short-term debt finance that is designed to ensure the company has sufficient available funds for operations. The director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

Interest rate cash flow risk

The company has interest bearing liabilities and has selected variable rates to best suit the future cash flow. The director will revisit the appropriateness of this policy should the company's situation change.

Future developments

The Directors intend to maintain the company's strong position in the market and further increase turnover, manage costs and ultimately continue to improve the performance of the business.

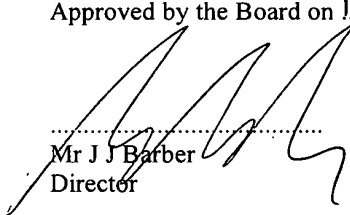
Delivered UK Ltd

Directors' Report for the Year Ended 31 May 2016

Disclosure of information to the auditors

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 16/11/16... and signed on its behalf by:



.....
Mr J J Barber
Director

Delivered UK Ltd

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual 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 of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Delivered UK Ltd

Independent Auditors' Report

We have audited the financial statements of Delivered UK Ltd for the year ended 31 May 2016, set out on pages 8 to 23. 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 auditors' 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 Statement of Directors' Responsibilities (set out on page 5), the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 (APB's) Ethical Standards for Auditors to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 May 2016 and of its 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 matter 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.

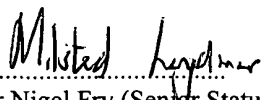
Delivered UK Ltd

Independent Auditors' Report

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.


.....
Mr Nigel Fry (Senior Statutory Auditor)
For and on behalf of Milsted Langdon LLP, Statutory Auditor
Winchester House
Deane Gate Avenue
Taunton
Somerset
TA1 2UH

23 November 2016

Delivered UK Ltd

Profit and Loss Account and Statement of Comprehensive Income for the Year Ended 31 May 2016

	Note	2016 £	2015 £
Turnover	3	9,997,866	9,151,472
Cost of sales		<u>(7,764,312)</u>	<u>(7,174,835)</u>
Gross profit		2,233,554	1,976,637
Administrative expenses		(2,123,694)	(1,779,503)
Other operating income	4	<u>177,633</u>	<u>5,000</u>
Operating profit	5	<u>287,493</u>	<u>202,134</u>
Interest payable and similar charges	6	<u>(19,660)</u>	<u>(11,985)</u>
		<u>(19,660)</u>	<u>(11,985)</u>
Profit before tax		267,833	190,149
Taxation	11	<u>(47,241)</u>	<u>(9,456)</u>
Profit for the financial year and total comprehensive income		<u><u>220,592</u></u>	<u><u>180,693</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

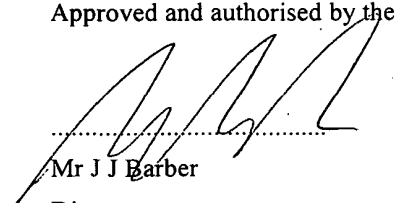
Delivered UK Ltd

(Registration number: 01658317)

Balance Sheet as at 31 May 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	12	187,734	217,094
Current assets			
Debtors	13	2,426,557	2,701,891
Cash at bank and in hand		115,573	719
		2,542,130	2,702,610
Creditors: Amounts falling due within one year	15	(2,157,844)	(2,467,641)
Net current assets		384,286	234,969
Total assets less current liabilities		572,020	452,063
Creditors: Amounts falling due after more than one year	15	(94,998)	-
Provisions for liabilities	16	(150,402)	(33,385)
Net assets		326,620	418,678
Capital and reserves			
Called up share capital	18	100	100
Profit and loss account		326,520	418,578
Total equity		326,620	418,678

Approved and authorised by the Board on 16/11/16 and signed on its behalf by:


Mr J J Barber
Director

The notes on pages 11 to 23 form an integral part of these financial statements.

Delivered UK Ltd

Statement of Changes in Equity for the Year Ended 31 May 2016

	Share capital	Profit and loss	Total
	£	account	£
		£	
At 1 June 2015	100	418,578	418,678
Profit and total comprehensive income for the year	-	220,592	220,592
Dividends	-	(312,650)	(312,650)
At 31 May 2016	<u>100</u>	<u>326,520</u>	<u>326,620</u>
	Share capital	Profit and loss	Total
	£	account	£
		£	
At 1 June 2014	100	302,171	302,271
Profit and total comprehensive income for the year	-	180,693	180,693
Dividends	-	(64,286)	(64,286)
At 31 May 2015	<u>100</u>	<u>418,578</u>	<u>418,678</u>

The notes on pages 11 to 23 form an integral part of these financial statements.

Delivered UK Ltd

Notes to the Financial Statements for the Year Ended 31 May 2016

1 General information

The company is a private company limited by share capital incorporated in UK.

The address of its registered office is:

375 Stirling Road
Cressex Business Park
High Wycombe
Buckinghamshire
HP12 3ST

These financial statements were authorised for issue by the Board on 16 November 2016.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. There have been no changes to accounting policies following the transition to the Financial Reporting Standard 102.

Statement of compliance

These financial statements are the first financial statements of the company prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The comparative figures have also been prepared in accordance with Financial Reporting Standard 102.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Summary of disclosure exemptions

The company is a member of a group where the parent of that group prepares publicly available consolidated financial statements which are intended to give a true and fair view and that member is included in the consolidation. Therefore, the company has adopted the exemption from the requirement to present a statement of cash flows and related notes. The company has also taken advantage of the exemption from disclosing transactions with other members of the group.

Name of parent of group

These financial statements are consolidated in the financial statements of Scarlet Group Limited.

The financial statements of Scarlet Group Limited may be obtained from Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The Company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the Company's activities.

Delivered UK Ltd

Notes to the Financial Statements for the Year Ended 31 May 2016

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold property improvements	33.3% straight line
Plant and machinery	10 - 25% straight line
Motor vehicles	20 - 25% straight line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Delivered UK Ltd

Notes to the Financial Statements for the Year Ended 31 May 2016

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account and Statement of Comprehensive Income over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the Company has an obligation at the reporting date as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Delivered UK Ltd

Notes to the Financial Statements for the Year Ended 31 May 2016

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2016 £	2015 £
Sale of goods	<u>9,997,866</u>	<u>9,151,472</u>

The analysis of the company's turnover for the year by market is as follows:

	2016 £	2015 £
UK	<u>9,997,866</u>	<u>9,151,472</u>

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2016 £	2015 £
Government grants	-	5,000
Area coverage support subsidy	<u>177,633</u>	<u>-</u>
	<u>177,633</u>	<u>5,000</u>

5 Operating profit

Arrived at after charging/(crediting):

	2016 £	2015 £
Depreciation expense	<u>74,711</u>	<u>65,664</u>

6 Interest payable and similar charges

	2016 £	2015 £
Interest on bank overdrafts and borrowings	19,195	11,985
Interest expense on other finance liabilities	<u>465</u>	<u>-</u>
	<u>19,660</u>	<u>11,985</u>

Delivered UK Ltd

Notes to the Financial Statements for the Year Ended 31 May 2016

7 Staff costs

The aggregate payroll costs (including director's remuneration) were as follows:

	2016 £	2015 £
Wages and salaries	1,716,767	1,714,472
Social security costs	140,787	141,606
Pension costs, defined contribution scheme	30,521	19,030
Other employee expense	2,022	840
	<u>1,890,097</u>	<u>1,875,948</u>

8 Directors' remuneration

The director's remuneration for the year was as follows:

	2016 £	2015 £
Remuneration	8,121	3,069
Contributions paid to money purchase schemes	18,000	15,000
	<u>26,121</u>	<u>18,069</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2016 No.	2015 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

9 Auditors' remuneration

	2016 £	2015 £
Audit of the financial statements	<u>8,000</u>	<u>8,000</u>

10 Exceptional items

	2016 £	2015 £
Exceptional administrative expenses	<u>120,000</u>	<u>-</u>

The exceptional administrative expenses relate to a provision in respect of the settlement of a legal dispute.

Delivered UK Ltd

Notes to the Financial Statements for the Year Ended 31 May 2016

11 Taxation

Tax charged/(credited) in the income statement

	2016 £	2015 £
Current taxation		
UK corporation tax	50,224	17,163
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(2,983)</u>	<u>(7,707)</u>
Tax expense in the income statement	<u><u>47,241</u></u>	<u><u>9,456</u></u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2015 - the same as the standard rate of corporation tax in the UK) of 20% (2015 - 20%).

The differences are reconciled below:

	2016 £	2015 £
Profit before tax	<u>267,833</u>	<u>190,149</u>
Corporation tax at standard rate	53,567	38,030
Effect of expense not deductible in determining taxable profit (tax loss)	24,558	2,171
Adjustment to tax in respect of prior period	-	253
Tax increase (decrease) arising from group relief	(31,057)	(31,224)
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>173</u>	<u>226</u>
Total tax charge	<u><u>47,241</u></u>	<u><u>9,456</u></u>

Delivered UK Ltd

Notes to the Financial Statements for the Year Ended 31 May 2016

12 Tangible assets

	Leased property improvements £	Motor vehicles £	Plant and machinery £	Total £
Cost or valuation				
At 1 June 2015	130,381	152,115	695,154	977,650
Additions	-	-	45,351	45,351
At 31 May 2016	130,381	152,115	740,505	1,023,001
Depreciation				
At 1 June 2015	130,381	52,212	577,963	760,556
Charge for the year	-	29,872	44,839	74,711
At 31 May 2016	130,381	82,084	622,802	835,267
Carrying amount				
At 31 May 2016	-	70,031	117,703	187,734
At 31 May 2015	-	99,903	117,191	217,094

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2016 £	2015 £
Plant and machinery	13,026	-

Restriction on title and pledged as security

Property, plant and equipment with a carrying amount of £187,734 (2015 - £217,094) has been pledged as security for the bank loan and the invoice financing facility.

13 Debtors

	Note	2016 £	2015 £
Trade debtors		1,577,286	2,135,335
Amounts owed by related parties	22	640,877	357,216
Other debtors		5,281	49,693
Prepayments		203,113	159,647
Total current trade and other debtors		2,426,557	2,701,891

Total current trade and other assets with a carrying amount of £2,426,557 (2015 - £2,701,891) has been pledged as security for the bank loan and the invoice financing facility.

Delivered UK Ltd

Notes to the Financial Statements for the Year Ended 31 May 2016

14 Cash and cash equivalents

	2016 £	2015 £
Cash on hand	1,200	650
Cash at bank	<u>114,373</u>	<u>69</u>
	115,573	719
Invoice financing facility	<u>(665,810)</u>	<u>(652,285)</u>
Cash and cash equivalents in statement of cash flows	<u>(550,237)</u>	<u>(651,566)</u>

Cash and cash equivalents with a carrying amount of £115,573 (2015 - £719) has been pledged as security for the bank loan and the invoice financing facility.

15 Creditors

	Note	2016 £	2015 £
Due within one year			
Loans and borrowings	19	697,180	652,285
Trade creditors		854,822	1,431,365
Social security and other taxes		272,701	186,127
Outstanding defined contribution pension costs		3,004	8,488
Other payables		52,722	4,300
Accrued expenses		227,191	167,913
Income tax liability	11	<u>50,224</u>	<u>17,163</u>
		<u>2,157,844</u>	<u>2,467,641</u>
Due after one year			
Loans and borrowings	19	<u>94,998</u>	<u>-</u>

16 Deferred tax and other provisions

	Legal settlement £	Deferred tax £	Total £
At 1 June 2015	-	33,385	33,385
Additional provisions	<u>120,000</u>	<u>(2,983)</u>	<u>117,017</u>
At 31 May 2016	<u>120,000</u>	<u>30,402</u>	<u>150,402</u>

Delivered UK Ltd

Notes to the Financial Statements for the Year Ended 31 May 2016

17 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £30,521 (2015 - £19,030).

Contributions totalling £3,004 (2015 - £8,488) were payable to the scheme at the end of the year and are included in creditors.

18 Share capital

Allotted, called up and fully paid shares

	No.	2016 £	No.	2015 £
Ordinary shares of £1 each	100	100	100	100

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

Ordinary shares have full voting rights, rights to dividends and a right to distribution on winding up.

19 Loans and borrowings

	2016 £	2015 £
Non-current loans and borrowings		
Bank loan	87,921	
Finance lease liabilities	7,077	
	<u>94,998</u>	
	2016 £	2015 £
Current loans and borrowings		
Bank loan	26,412	-
Invoice financing facility	665,810	652,285
Finance lease liabilities	4,958	-
	<u>697,180</u>	<u>652,285</u>

Bank borrowings

The bank loan is denominated in GBP with a nominal interest rate of the bank's base rate plus 4.57% per annum, and the final instalment is due on 22 June 2020. The carrying amount at year end is £114,333 (2015 - £Nil).

The bank loan is secured by a debenture and a personal guarantee from Mr J J Barber, Director.

Delivered UK Ltd

Notes to the Financial Statements for the Year Ended 31 May 2016

20 Obligations under leases and hire purchase contracts

Finance leases and hire purchases

The total of future minimum lease payments is as follows:

	2016 £
Not later than one year	5,519
Later than one year and not later than five years	7,359
	<u>12,878</u>

Operating leases

The total of future minimum lease payments is as follows:

	2016 £	2015 £
Not later than one year	443,697	422,280
Later than one year and not later than five years	991,106	1,424,639
Later than five years	-	9,375
	<u>1,434,803</u>	<u>1,856,294</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £322,977 (2015 - £293,353).

21 Dividends

	2016 £	2015 £
Interim dividend of £3,126.50 (2015 - £642.86) per ordinary share	<u>312,650</u>	<u>64,286</u>

The directors are proposing a final dividend of £Nil (2015 - £Nil) per share totalling £Nil (2015 - £Nil).

Delivered UK Ltd

Notes to the Financial Statements for the Year Ended 31 May 2016

22 Related party transactions

Key management personnel

Directors.

Key management compensation has been disclosed in note 8 Directors' remuneration

Summary of transactions with key management

The director's loan is interest free and repayable on demand. The director's have given personal guarantees to the limit of £125,000 and £60,000 respectively in respect of the company and Delivered (Reading) Ltd's, fellow subsidiary company, invoice discounting facility and any amounts owed to NatWest and a guarantee of £150,00 in respect of the bank loan.

Transactions with directors

	At 1 June 2015 £	Advances to directors £	Repayments by director £	At 31 May 2016 £
2016				
Mr J J Barber				
Director's loan	<u>28,202</u>	<u>105,103</u>	<u>(180,250)</u>	<u>(46,945)</u>
	At 1 June 2014 £	Advances to directors £	Repayments by director £	At 31 May 2015 £
2015				
Mr J J Barber				
Director's loan	<u>(28,736)</u>	<u>121,224</u>	<u>(64,286)</u>	<u>28,202</u>

Summary of transactions with other related parties

Other related parties include any other entity in which the company's directors or shareholders are connected to.

Delivered UK Ltd

Notes to the Financial Statements for the Year Ended 31 May 2016

Income and receivables from related parties

	Other related parties £
2016	
Sale of goods	<u>2,218,485</u>
	Other related parties £
2015	
Sale of goods	<u>1,865,563</u>

Expenditure with and payables to related parties

	Other related parties £
2016	
Rendering of services	<u>3,973,361</u>
Amounts payable to related party	<u>204,341</u>
	Other related parties £
2015	
Rendering of services	<u>3,560,202</u>
Amounts payable to related party	<u>367,093</u>

Loans to related parties

	Key management £
2015	
At start of period	(28,736)
Advanced	121,224
Repaid	<u>(64,286)</u>
At end of period	<u>28,202</u>

Loans from related parties

	Key management £
2016	
At start of period	28,202
Advanced	105,103
Repaid	<u>(179,850)</u>
At end of period	<u>(46,545)</u>

23 Parent and ultimate parent undertaking

The ultimate controlling party is Mr J J Barber and his wife, who own the majority of the issued share capital of Scarlet Group Limited.

Delivered UK Ltd

Notes to the Financial Statements for the Year Ended 31 May 2016

24 Transition to FRS 102

There have been no numerical changes to the accounts, or to previous periods in respect of FRS 102.