

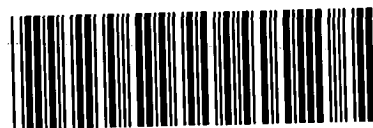
Registration number: 01658317

Delivered UK Ltd

Annual Report and Financial Statements

for the Year Ended 31 May 2018

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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 2018

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

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 another year of positive results with a further increase in turnover and fairly consistent profit margins achieved, in a competitive market. The total loss reported for the year is only as a result of the exceptional items, detailed in note 10, and a trading profit before tax, after excluding these expenses, of £228,887 has been generated in the year.

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.

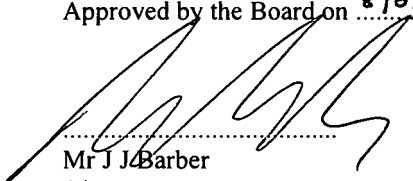
The company's key financial and other performance indicators during the year were as follows:

	Unit	2018	2017
Turnover	£	11,894,530	10,580,883
Gross Profit	£	2,309,592	2,282,637
Gross Profit margin	%	19	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 8/01/2019 and signed on its behalf by:


.....
Mr J J Barber
Director

Delivered UK Ltd

Directors' Report for the Year Ended 31 May 2018

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

Directors of the company

The directors who held office during the year were as follows:

Mr J J Barber

Mr A R Barber

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 directors have 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 directors 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.

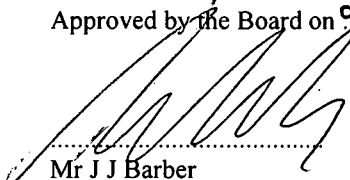
Delivered UK Ltd

Directors' Report for the Year Ended 31 May 2018

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 08/01/2019 and signed on its behalf by:



Mr J J Barber
Director

Delivered UK Ltd

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 have 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 Auditor's Report to the Members of Delivered UK Ltd

Opinion

We have audited the financial statements of Delivered UK Ltd (the 'company') for the year ended 31 May 2018, which comprise the Profit and Loss Account and Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, 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 Financial Reporting Standard 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 company's affairs as at 31 May 2018 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.

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 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 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Delivered UK Ltd

Independent Auditor's Report to the Members of Delivered UK Ltd

Opinion on other matter prescribed by the Companies Act 2006

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

- 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; and
- the Strategic Report and 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 our knowledge and understanding of the company and its 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 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.

Responsibilities of directors

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, 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 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 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Delivered UK Ltd

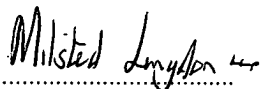
Independent Auditor's Report to the Members of Delivered UK Ltd

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.



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

15 January 2019

Delivered UK Ltd

Profit and Loss Account and Statement of Comprehensive Income for the Year Ended 31 May 2018

	Note	2018 £	2017 £
Turnover	3	11,894,530	10,580,883
Cost of sales		<u>(9,584,938)</u>	<u>(8,298,246)</u>
Gross profit		2,309,592	2,282,637
Administrative expenses		(2,353,943)	(2,703,124)
Other operating income	4	<u>205,930</u>	<u>167,902</u>
Operating profit/(loss)	5	<u>161,579</u>	<u>(252,585)</u>
Interest payable and similar expenses	6	<u>(21,579)</u>	<u>(22,669)</u>
		<u>(21,579)</u>	<u>(22,669)</u>
Profit/(loss) before tax		140,000	(275,254)
Taxation	10	<u>(27,085)</u>	<u>(45,692)</u>
Profit/(loss) for the financial year		<u><u>112,915</u></u>	<u><u>(320,946)</u></u>

The above results were derived from continuing operations.

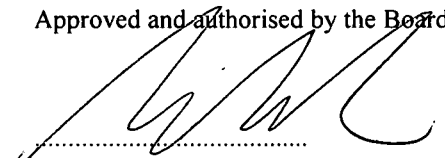
The company has no recognised gains or losses for the year other than the results above.

Delivered UK Ltd

(Registration number: 01658317)
Balance Sheet as at 31 May 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	11	130,178	177,687
Current assets			
Debtors	12	2,884,709	2,338,872
Cash at bank and in hand		47,012	31,660
		<u>2,931,721</u>	<u>2,370,532</u>
Creditors: Amounts falling due within one year	14	<u>(2,885,641)</u>	<u>(2,135,696)</u>
Net current assets		<u>46,080</u>	<u>234,836</u>
Total assets less current liabilities		176,258	412,523
Creditors: Amounts falling due after more than one year	14	(90,499)	(374,441)
Provisions for liabilities	15	<u>(22,901)</u>	<u>(32,408)</u>
Net assets		<u>62,858</u>	<u>5,674</u>
Capital and reserves			
Called up share capital	17	100	100
Profit and loss account		<u>62,758</u>	<u>5,574</u>
Total equity		<u>62,858</u>	<u>5,674</u>

Approved and authorised by the Board on 08/01/2019 and signed on its behalf by:


Mr J J Barber
Director

Delivered UK Ltd

Statement of Changes in Equity for the Year Ended 31 May 2018

	Share capital £	Profit and loss account £	Total £
At 1 June 2017	100	5,574	5,674
Profit and total comprehensive income for the year	-	112,915	112,915
Dividends	-	(55,731)	(55,731)
At 31 May 2018	<u>100</u>	<u>62,758</u>	<u>62,858</u>
	Share capital £	Profit and loss account £	Total £
At 1 June 2016	100	326,520	326,620
Loss and total comprehensive income for the year	-	(320,946)	(320,946)
At 31 May 2017	<u>100</u>	<u>5,574</u>	<u>5,674</u>

The notes on pages 12 to 22 form an integral part of these financial statements.

Delivered UK Ltd

Notes to the Financial Statements for the Year Ended 31 May 2018

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

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 8 January 2019.

2 Accounting policies

Statement of compliance

These financial statements are prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 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.

Going concern

The financial statements have been prepared on a going concern basis. The directors have prepared forecasts for the foreseeable future which indicate that the company will have sufficient working capital facilities to meet its working capital needs.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts.

The company recognises revenue when goods are dispatched to a third party distributor;

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.

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.

Delivered UK Ltd

Notes to the Financial Statements for the Year Ended 31 May 2018

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

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
Motor vehicles	20 - 25% straight line
Plant and machinery	10 - 25% straight line

Amortisation

Asset class	Amortisation method and rate
Licence fees	33.3% 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 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.

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.

Delivered UK Ltd

Notes to the Financial Statements for the Year Ended 31 May 2018

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.

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.

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.

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments.

Delivered UK Ltd

Notes to the Financial Statements for the Year Ended 31 May 2018

3 Revenue

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

	2018	2017
	£	£
Sale of goods	<u>11,894,530</u>	<u>10,580,883</u>

4 Other operating income

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

	2018	2017
	£	£
Management charges receivable	80,000	-
Miscellaneous other operating income	<u>125,930</u>	<u>167,902</u>
	<u>205,930</u>	<u>167,902</u>

5 Operating profit

Arrived at after charging/(crediting)

	2018	2017
	£	£
Depreciation expense	<u>62,261</u>	<u>78,710</u>

6 Interest payable and similar expenses

	2018	2017
	£	£
Interest on bank overdrafts and borrowings	17,770	17,624
Interest expense on other finance liabilities	<u>3,809</u>	<u>5,045</u>
	<u>21,579</u>	<u>22,669</u>

7 Staff costs

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

	2018	2017
	£	£
Wages and salaries	1,860,082	1,760,435
Social security costs	199,764	161,059
Pension costs, defined contribution scheme	36,689	34,839
Other employee expense	<u>4,089</u>	<u>368</u>
	<u>2,100,624</u>	<u>1,956,701</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

Delivered UK Ltd

Notes to the Financial Statements for the Year Ended 31 May 2018

	2018 No.	2017 No.
Production	30	31
Administration and support	8	6
Sales	6	6
Distribution	27	26
Other departments	4	4
	<u>75</u>	<u>73</u>

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2018 £	2017 £
Remuneration	222,742	214,327
Contributions paid to money purchase schemes	<u>21,620</u>	<u>25,200</u>
	<u>244,362</u>	<u>239,527</u>

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

	2018 No.	2017 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

9 Auditors' remuneration

	2018 £	2017 £
Audit of the financial statements	<u>8,400</u>	<u>8,000</u>

10 Taxation

Tax charged/(credited) in the income statement

	2018 £	2017 £
Current taxation		
UK corporation tax	36,592	43,686
Deferred taxation		
Arising from origination and reversal of timing differences	(9,507)	3,527
Arising from changes in tax rates and laws	<u>-</u>	<u>(1,521)</u>
Total deferred taxation	<u>(9,507)</u>	<u>2,006</u>
Tax expense in the income statement	<u>27,085</u>	<u>45,692</u>

Delivered UK Ltd

Notes to the Financial Statements for the Year Ended 31 May 2018

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2017 - the same as the standard rate of corporation tax in the UK) of 19% (2017 - 19.83%).

The differences are reconciled below:

	2018 £	2017 £
Profit/(loss) before tax	140,000	(275,254)
Corporation tax at standard rate	26,600	(54,591)
Effect of expense not deductible in determining taxable profit (tax loss)	-	101,438
Effect of tax losses	-	(155)
Decrease in UK and foreign current tax from unrecognised temporary difference from a prior period	-	(1,521)
Other tax effects for reconciliation between accounting profit and tax expense (income)	485	521
Total tax charge	27,085	45,692
Deferred tax		

11 Tangible assets

	Motor vehicles £	Other tangible assets £	Total £
Cost or valuation			
At 1 June 2017	104,877	280,180	385,057
Additions	-	14,752	14,752
At 31 May 2018	104,877	294,932	399,809
Depreciation			
At 1 June 2017	32,250	175,120	207,370
Charge for the year	16,047	46,214	62,261
At 31 May 2018	48,297	221,334	269,631
Carrying amount			
At 31 May 2018	56,580	73,598	130,178
At 31 May 2017	72,627	105,060	177,687

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:

	2018 £	2017 £
Plant and machinery	61,179	78,548

Delivered UK Ltd

Notes to the Financial Statements for the Year Ended 31 May 2018

Restriction on title and pledged as security

Property, plant and equipment with a carrying amount of £68,999 (2017 - £99,139) has been pledged as security for the bank loan and the invoice financing facility.

12 Debtors

	Note	2018 £	2017 £
Trade debtors		2,033,945	1,574,293
Amounts owed by related parties	20	555,832	487,477
Other debtors		2,783	12,058
Prepayments		292,149	265,044
		<u>2,884,709</u>	<u>2,338,872</u>

13 Cash and cash equivalents

	2018 £	2017 £
Cash on hand	1,200	619
Cash at bank	<u>45,812</u>	<u>31,041</u>
	47,012	31,660
Bank overdrafts	<u>(628,811)</u>	<u>(398,754)</u>
Cash and cash equivalents in statement of cash flows	<u>(581,799)</u>	<u>(367,094)</u>

14 Creditors

	Note	2018 £	2017 £
Due within one year			
Loans and borrowings	18	667,175	438,698
Trade creditors		1,249,011	821,351
Social security and other taxes		293,852	280,023
Outstanding defined contribution pension costs		7,289	2,208
Other payables		286,125	278,790
Accruals		345,597	270,940
Income tax liability	10	<u>36,592</u>	<u>43,686</u>
		<u>2,885,641</u>	<u>2,135,696</u>
Due after one year			
Loans and borrowings	18	76,730	115,445
Other non-current financial liabilities		<u>13,769</u>	<u>258,996</u>
		<u>90,499</u>	<u>374,441</u>

Delivered UK Ltd

Notes to the Financial Statements for the Year Ended 31 May 2018

15 Deferred tax and other provisions

	Deferred tax £	Total £
At 1 June 2017	32,408	32,408
Increase (decrease) in existing provisions	(9,507)	(9,507)
At 31 May 2018	<u>22,901</u>	<u>22,901</u>

16 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 £36,689 (2017 - £34,839).

Contributions totalling £7,289 (2017 - £2,208) were payable to the scheme at the end of the year and are included in creditors.

17 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

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.

18 Loans and borrowings

	2018 £	2017 £
Non-current loans and borrowings		
Bank loan	29,109	58,862
Finance lease liabilities	<u>47,621</u>	<u>56,583</u>
	<u>76,730</u>	<u>115,445</u>

Delivered UK Ltd

Notes to the Financial Statements for the Year Ended 31 May 2018

	2018 £	2017 £
Current loans and borrowings		
Bank loan	29,224	27,783
Invoice financing facility	628,811	398,754
Finance lease liabilities	9,140	12,161
	<u>667,175</u>	<u>438,698</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 £58,333 (2017 - £86,645).

The bank loan is secured by a debenture and a personal guarantee from a director.

Other borrowings

Finance lease liabilities is denominated in GBP with a nominal interest rate of 5.9% - 5.9%%, and the final instalment is due on 4 August 2019. The carrying amount at year end is £56,761 (2017 - £68,744).

Finance lease liabilities are secured by the assets to which the agreement relates

19 Obligations under leases and hire purchase contracts

Finance leases

The total of future minimum lease payments is as follows:

	2018 £	2017 £
Not later than one year	9,140	15,792
Later than one year and not later than five years	47,621	58,296
	<u>56,761</u>	<u>74,088</u>

Operating leases

The total of future minimum lease payments is as follows:

	2018 £	2017 £
Not later than one year	533,572	493,781
Later than one year and not later than five years	774,951	683,033
Later than five years	340	563
	<u>1,308,863</u>	<u>1,177,377</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £371,515 (2017 - £331,197).

Delivered UK Ltd

Notes to the Financial Statements for the Year Ended 31 May 2018

20 Related party transactions

Key management personnel

Directors loan accounts are interest free and repayable on demand.

Summary of transactions with key management

One of the directors has given a personal guarantee of up to £150,000 over the Company's bank loan.

Transactions with directors

	At 1 June 2017 £	Advances to directors £	Repayments by director £	At 31 May 2018 £
2018				
Mr J J Barber				
Director's loan	10,268	456	(10,268)	456
Mr A R Barber				
Director's loan	45,463	22,773	(45,463)	22,773
		Advances	Repayments	At 31 May
	At 1 June	to	by director	2017
	2016	directors	£	£
2017	£	£	£	£
Mr J J Barber				
Director's loan	(46,945)	84,148	(26,935)	10,268
Mr A R Barber				
Director's loan	-	45,463	-	45,463

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.

Income and receivables from related parties

	Other related parties
	£
2018	
Sale of goods	5,142,735
	Other related parties
	£
2017	
Sale of goods	2,721,168

Expenditure with and payables to related parties

Delivered UK Ltd

Notes to the Financial Statements for the Year Ended 31 May 2018

		Other related parties
		£
2018		
Rendering of services		5,836,663
Amounts payable to related party		<u>372,337</u>
		Other related parties
		£
2017		
Rendering of services		5,147,762
Amounts payable to related party		<u>216,740</u>
Loans from related parties		
		Key management
		£
2018		
At start of period		55,731
Advanced		23,229
Repaid		<u>(55,731)</u>
At end of period		<u>23,229</u>
		Key management
		£
2017		
At start of period		(46,945)
Advanced		129,611
Repaid		<u>(26,935)</u>
At end of period		<u>55,731</u>

21 Parent and ultimate parent undertaking

The company's immediate parent is Scarlet Group Limited, incorporated in England and Wales.

The most senior parent entity producing publicly available financial statements is Scarlet Group Limited. These financial statements are available upon request from 375 Stirling Road, Cressex Business Park, High Wycombe, Buckinghamshire, HP12 3ST

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