

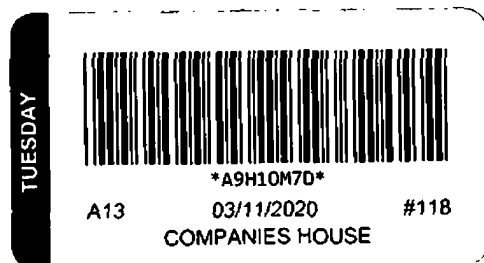
TDG Top Newco Limited

Annual Report and Financial Statements

Period Ended

30 April 2019

Company Number 11407796



TDG Top Newco Limited

Company Information

Directors	P D Carvell M J Owen S L Stokes J H Wilkins
Registered number	11407796
Registered office	Unit 2 Catalina Approach Omega South Warrington WA5 3UY
Independent auditor	BDO LLP 3 Hardman Street Manchester M3 3AT

TDG Top Newco Limited

Contents

	Page
Group Strategic Report	1 - 2
Directors' Report	3 - 5
Directors' Responsibilities Statement	6
Independent Auditor's Report	7 - 9
Consolidated Statement of Comprehensive Income	10
Consolidated Statement of Financial Position	11
Company Statement of Financial Position	12
Consolidated Statement of Changes in Equity	13
Company Statement of Changes in Equity	13
Consolidated Statement of Cash Flows	14 - 15
Notes to the Financial Statements	16 - 39

TDG Top Newco Limited

Group Strategic Report For the Period Ended 30 April 2019

The Directors present their Strategic Report together with the audited Group financial statements for the period from 11 June 2018 to 30 April 2019. The Company was incorporated on 11 June 2018 and these financial statements represent the results of the Group from this date to 30 April 2019.

The company was incorporated on 11 June 2018 to facilitate the management buyout ("MBO") of The Delivery Group Limited was took place on 22 June 2018. The MBO was led by Steve Stokes, James Wilkins and Paul Carvell who between them now own the majority shareholding of the Group.

Business review

The accounting period of the company was shortened to 30 April 2019 and therefore this report covers a short trading period. During the period, the Group has undergone significant change with the acquisition of Postal Choices Holdings Limited and its subsidiary Postal Choices Limited (trading as ONEPOST) in March 2019. At the point of acquisition, the ONEPOST business had a recurring EBITDA of £3M per annum and this will benefit the Group ongoing.

The Group's first period of revenue post MBO was £158M but as stated above, this contains just over 1 month of revenues for ONEPOST and therefore the Group expects to reports revenues in excess of £230M for the full year ending April 2020. This was achieved against a backdrop of economic and political uncertainty in the UK surrounding Brexit compounded by the impacts of Covid-19 from March 2020.

The Group remains focused on its core niche growth markets with new contract wins and new product developments across the Group, particularly in light of Covid-19 restrictions which have forced the Group to be innovative and adaptable. In 2020 the Group has created the UK's largest cool chain operation supporting the Government's fight against Covid-19 by supplying Covid-19 test kit collection services supporting a clinical study by IPSOS Mori and Imperial College London. This new stream of revenue will have a significant positive impact on the financial results for the Group in the accounting period ending April 2021.

Operating profits excluding goodwill amortisation charges for the first period of the MBO amounted to £333,000 with EBITDA of £1,345,000. The Group made a loss after tax for the year of £922,000 but these figures reflect the restructuring costs of bringing the Group together and is inclusive of just one month's full trading of ONEPOST and thus the directors expect a significant increase in EBITDA in the year ended April 2020.

During the period, the Group has invested £650,000 in its multi carrier service platform enabling customer's choice of products and services in addition to investing just under £1.4M in its core infrastructure. This investment has continued post year end with new operational hubs in Bristol and a new super hub / head office in Warrington. The Group also continues its investment in state of the art mail sortation equipment and further investment in to electrified vehicles supporting its operations within central London. The Group will continue to invest in its people, innovative customer-led propositions, and its operating asset base in 2020 and beyond.

The Group continues to have significant headroom in its funding and banking facilities and remains in a strong financial position despite the impact of Covid-19 and Brexit on the UK's economy.

Principal risks and uncertainties

The downstream access market and ecommerce delivery market in the UK remain highly competitive. The Group has a broad product offering covering mail and parcel distribution solutions. The Group continues to focus on its core growth markets, provides a value-added service offering to customers and has invested, and continues to invest significantly in its fully automated solutions ensuring that it is in a strong competitive position in both the UK domestic market and international ecommerce distribution market.

A key risk to the Group is credit risk in relation to its trade debtors. Credit risk is managed by adopting a formal customer take-on procedure and insuring trade debts through a third-party insurance provider.

The Group monitors cash flows as part of its day to day procedures. The Board monitors cash flow projections and ensures that the appropriate facilities are available to be drawn upon as necessary

TDG Top Newco Limited

Group Strategic Report (continued) For the Period Ended 30 April 2019

Financial key performance indicators

On a weekly and monthly basis, executive management reviews the following ratios and key performance indicators to ascertain how well the Group is operating:

Efficiency analysis/ratios

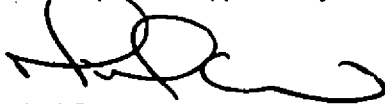
Management compares the revenues, direct costs, gross margin, salary and other employee costs, and other administrative costs for the current period against budget and prior year figures. Specifically, the gross margin and percentage change in gross margin is compared against the budget and prior year figures. The ratio and percent change indicate how efficiently the Group is operating. The same procedure is performed for the Group's EBITDA figure.

Contribution

The amount of contribution (revenue less direct mailing costs) per item is measured against budget and prior year figures.

This report was approved by the board on 2 November 2020

and signed on its behalf.



M J Owen
Director

TDG Top Newco Limited

Directors' Report For the Period Ended 30 April 2019

The Directors present their report together with the audited financial statements for the period ended 30 April 2019.

Principal activity

The Group's principal activity is the delivery of mail, parcels and mail consolidation solutions.

The Company's principal activity is that of a holding company.

Results and dividends

The loss for the period, after taxation, amounted to £922,000.

Dividends of £Nil have been declared in the period. The Directors do not propose the payment of a final dividend.

Directors

The Directors who served during the period were:

P D Carvell (appointed 21 June 2018)
S L Stokes (appointed 21 June 2018)
J H Wilkins (appointed 21 June 2018)
I P Brewer (appointed 20 July 2018, resigned 3 February 2020)
J A Keliher (appointed 11 June 2018, resigned 21 June 2018)

A Griffin and M J Owen were appointed as directors of the Company on 3 February 2020. A Griffin resigned as a director of the Company on 18 April 2020.

Future developments

During the period under review, the Group has invested £650,000 in its multi carrier service platform enabling customer's choice of products and services in addition to investing just under £1.4M in its core infrastructure. This investment has continued post year end with new operational hubs in Bristol and a new super hub / head office in Warrington. The Group also continues its investment in state of the art mail sortation equipment and further investment in to electrified vehicles supporting its operations within centra London. The Group will continue to invest in its people, innovative customer-led propositions, and its operating asset base in 2020 and beyond.

Engagement with employees

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings and both internal and external media communications. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

TDG Top Newco Limited

Directors' Report (continued) For the Period Ended 30 April 2019

Disabled employees

Procedures are in operation to support the Group's policy that disabled persons' whether registered or not, shall be considered for employment and training, career development and promotion on the basis of their aptitudes and abilities. Where employees become disabled every effort is made to ensure that they are retained according to their abilities.

Going concern

The Directors have prepared these financial statements on a going concern basis, notwithstanding the net current liabilities of £15,996,000. In coming to their conclusion, the Directors have considered the Group's profit and cash flow plans for the coming period, and in the light of the outbreak of COVID-19 have run downside "stress test" scenarios.

These scenarios assess the Group's ability to continue to trade with downside revenue sensitivities forecast over the next 12 months. The Group has put measures in place where appropriate to reduce the Group's expenditure and accessed government schemes such as furloughing a number of staff to aid the Group through the pandemic. These actions and the new Covid-19 testing contract won in May 2020, along with the forecasts and stress test scenarios produced show that the Group will be able to meet its liabilities as they fall due for a period of at least 12 months from the date of sign off of these financial statements and therefore this Group continues to adopt the going concern basis in preparing its Financial Statements.

Matters covered in the Strategic Report

Disclosures required under S416(4) of the Companies Act 2006 are commented upon in the Strategic Report in accordance with S414C(11) as the Directors consider them to be of strategic importance to the Company.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Events after the reporting period

On 31 January 2020, the World Health Organisation (WHO) announced a global health emergency in relation to the COVID-19 outbreak and the risks to the international community as the virus spreads globally beyond its point of origin. Because of the rapid increase in exposure globally, on 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic. Covid-19 has made the Group become innovative and adaptable. The impact of Covid 19 had a temporary impact on the volume of direct marketing mailings supporting the UK's retail, hospitality and travel sectors and as a result the Group temporarily restructured its cost base to match the reduction in volumes. However, the Group has also innovated and adapted and in May 2020 the Group created the UK's largest cool chain operation supporting the Government's fight against Covid-19 by supplying Covid-19 test kit collection services supporting a clinical study by IPSOS Mori and Imperial College London. This new stream of revenue will have a significant positive impact on the financial results for the Group in the accounting period ending April 2021.

No current information has been identified by the directors which would effect the carrying value of amounts held on the Statement of Financial Position as at 30 April 2019.

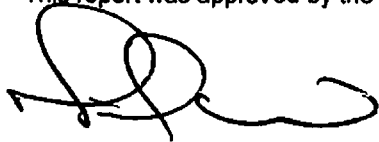
TDG Top Newco Limited

Directors' Report (continued) For the Period Ended 30 April 2019

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 2 November 2020 and signed on its behalf.



M J Owen
Director

TDG Top Newco Limited

Directors' Responsibilities Statement For the Period Ended 30 April 2019

The Directors are responsible for preparing the Strategic Report, 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 Group and Company 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 and Company 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; 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.

TDG Top Newco Limited

Independent Auditor's Report to the Members of TDG Top Newco Limited

Opinion

We have audited the financial statements of TDG Top Newco Limited ("the Parent Company") and its subsidiaries ("the Group") for the period ended 30 April 2019 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 the 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 Group's and of the Parent Company's affairs as at 30 April 2019 and of the Group's loss for the period then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 the 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 or 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.

TDG Top Newco Limited

Independent Auditor's Report to the Members of TDG Top Newco Limited (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors report and financial statements, 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.

Opinions on other matters 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 period 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 the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and 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.

TDG Top Newco Limited

Independent Auditor's Report to the Members of TDG Top Newco Limited (continued)

Responsibilities of directors

As explained more fully in the Statement of Directors Responsibilities, 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: <https://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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Steven Roberts (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester
United Kingdom

02/11/2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

TDG Top Newco Limited

Consolidated Statement of Comprehensive Income For the Period Ended 30 April 2019

	Note	Period ended 30 April 2019 £000
Turnover	4	146,628
Cost of sales		(136,448)
Gross profit		10,180
Administrative expenses		(10,685)
Operating loss	5	(505)
Interest receivable and similar income		16
Interest payable and similar expenses	9	(295)
Loss before taxation		(784)
Tax on loss	10	(138)
Loss for the financial period		(922)

There was no other comprehensive income for 2019.

All income is attributable to the owners of the Parent Company.

The notes on pages 16 to 39 form part of these financial statements.

TDG Top Newco Limited

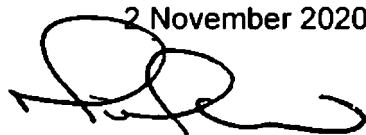
Registered number:11407796

**Consolidated Statement of Financial Position
As at 30 April 2019**

	Note	2019 £000	2019 £000
Fixed assets			
Intangible assets	11		18,746
Tangible assets	12		5,906
Investments	13		10
			<u>24,662</u>
Current assets			
Stocks	14	59	
Debtors: amounts falling due after more than one year	15	3,593	
Debtors: amounts falling due within one year	15	30,781	
Cash at bank and in hand		3,246	
		<u>37,678</u>	
Creditors: amounts falling due within one year	16	(53,677)	
Net current liabilities			<u>(15,999)</u>
Total assets less current liabilities			<u>8,663</u>
Creditors: amounts falling due after more than one year	17		(3,630)
Net assets			<u><u>5,033</u></u>
Capital and reserves			
Called up share capital	21		-
Profit and loss account	22		(922)
Equity attributable to owners of the parent Company			<u>(922)</u>
Non-controlling interests			5,955
			<u><u>5,033</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

2 November 2020


M J Owen
Director

The notes on pages 16 to 39 form part of these financial statements.

TDG Top Newco Limited

Registered number:11407796

Company Statement of Financial Position As at 30 April 2019

	Note	2019 £000	2019 £000
Investments	13		-
Current assets			
Debtors: amounts falling due within one year	15		646
Total assets less current liabilities			<u>646</u>
Capital and reserves			
Profit and loss account brought forward		-	
Profit for the period		646	
Profit and loss account carried forward			646
Equity attributable to owners of the parent Company			<u>646</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



2 November 2020

M J Owen
Director

The notes on pages 16 to 39 form part of these financial statements.

TDG Top Newco Limited

Consolidated Statement of Changes in Equity For the Period Ended 30 April 2019

	Called up share capital £000	Profit and loss account £000	Equity attributable to owners of parent Company £000	Non- controlling interests £000	Total equity £000
At 11 June 2018	-	-	-	-	-
Comprehensive loss for the period					
Loss for the period	-	(922)	(922)	-	(922)
Total comprehensive loss for the period	-	(922)	(922)	-	(922)
Contributions by and distributions to owners					
Non-controlling interest arising on business combinations	-	-	-	5,955	5,955
Total transactions with owners	-	-	-	5,955	5,955
At 30 April 2019	-	(922)	(922)	5,955	5,033

Company Statement of Changes in Equity For the Period Ended 30 April 2019

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 11 June 2018	-	-	-
Comprehensive income for the period			
Profit for the period	-	646	646
Total comprehensive income for the period	-	646	646
At 30 April 2019	-	646	646

The notes on pages 16 to 39 form part of these financial statements.

TDG Top Newco Limited

Consolidated Statement of Cash Flows For the Period Ended 30 April 2019

	2019 £000
Loss for the financial period	(922)
Adjustments for:	
Amortisation of intangible assets	929
Depreciation of tangible assets	912
Loss on disposal of tangible assets	35
Interest paid	295
Interest received	(16)
Taxation charge	138
Increase in stocks	(6)
Decrease in debtors	3,384
Decrease in creditors	(57)
Corporation tax paid	(299)
Net cash generated from operating activities	4,393
Cash flows from investing activities	
Purchase of intangible fixed assets	(473)
Purchase of tangible fixed assets	(797)
Sale of tangible fixed assets	242
Purchase of unlisted and other investments	(10)
Consideration for acquisitions less cash acquired	(10,941)
Interest received	16
Net cash used in investing activities	(11,963)

TDG Top Newco Limited

Consolidated Statement of Cash Flows (continued) For the Period Ended 30 April 2019

	2019 £000
Cash flows from financing activities	
Redemption of shares	(646)
Repayment of loan notes	(1,937)
Movements on invoice discounting facility	13,804
Repayment of finance leases	(111)
Interest paid	(295)
Net cash from financing activities	<u>10,815</u>
Net increase in cash and cash equivalents	<u>3,245</u>
Cash and cash equivalents at the end of period	<u><u>3,245</u></u>
Cash and cash equivalents at the end of period comprise:	
Cash at bank and in hand	<u><u>3,245</u></u>

The notes on pages 16 to 39 form part of these financial statements.

TDG Top Newco Limited

Notes to the Financial Statements For the Period Ended 30 April 2019

1. General information

TDG Top Newco Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is shown on the Company Information page and the nature of the Group's operations and its principal activity is set out in the Director's Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The presentation currency is pounds sterling (GBP) and all amounts in these financial statements are rounded to the nearest thousand pound.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The Group has elected to apply all amendments to FRS 102, as set out in the triennial review published in December 2017, prior to the mandatory adoption for accounting periods beginning on or after 1 January 2019.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

TDG Top Newco Limited

Notes to the Financial Statements For the Period Ended 30 April 2019

2. Accounting policies (continued)

2.3 Parent Company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available to qualifying entities:

- No cash flow statement or net debt reconciliation has been presented for the parent company; and
- Disclosures in respect of the parent company's income, expense, net gains and net losses on financial instruments measured at amortised cost have not been presented as equivalent disclosures have been provided in respect of the Group as a whole.

2.4 Going concern

The Directors have prepared these financial statements on a going concern basis. In coming to their conclusion, the Directors have considered the Group's profit and cash flow plans for the coming period, and in the light of the outbreak of COVID-19 have run downside "stress test" scenarios.

These scenarios assess the Group's ability to continue to trade with downside revenue sensitivities forecast over the next 12 months. The Group has put measures in place where appropriate to reduce the Group's expenditure and accessed government schemes such as furloughing a number of staff to aid the company through the pandemic. These actions and the new Covid-19 testing contract won in May 2020, along with the forecasts and stress test scenarios produced show that the Group will be able to meet its liabilities as they fall due for a period of at least 12 months from the date of sign off of these financial statements.

The Group has shares classed as debt with a total redemption value of £5,955,370 at the period end. Certain holders of these shares hold a put option, which when exercised would mean that all of these shares are redeemable on demand. The holders of these shares have though confirmed that the put option will not be actioned within 12 months of the date of signing of these financial statements unless the Group have sufficient financial resources to meet any repayment.

Given all of the above the Directors consider the liquidity of the Group to be strong. As at 30 April 2019 the Group had immediately available cash reserves of £3.2m. As at 30 September 2020, this had increased to over £12m.

Notwithstanding the loss in the period and net current liabilities at 30 April 2019, the stress testing and sensitivity analysis on both profitability and cash flow has indicated that it is appropriate for the Group to prepare the financial statements on a going concern basis.

TDG Top Newco Limited

Notes to the Financial Statements For the Period Ended 30 April 2019

2. Accounting policies (continued)

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is pounds sterling (GBP) and all amounts in these financial statements are rounded to the nearest thousand pound.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.6 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the Turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover is derived from the delivery of mail, parcels and mail consolidation and distribution solutions for the UK and overseas markets. Turnover is recognised upon completion of these services to the customer.

2.7 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

2.8 Finance leases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.9 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

TDG Top Newco Limited

Notes to the Financial Statements For the Period Ended 30 April 2019

2. Accounting policies (continued)

2.10 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.11 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the period in which they are incurred.

2.12 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.13 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

TDG Top Newco Limited

Notes to the Financial Statements For the Period Ended 30 April 2019

2. Accounting policies (continued)

2.14 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

IPR Software	-	3 years
Goodwill	-	10 years

The software development has not yet been brought into use and as such no amortisation has been charged within the financial statements.

TDG Top Newco Limited

Notes to the Financial Statements For the Period Ended 30 April 2019

2. Accounting policies (continued)

2.15 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Leasehold property improvements	- Over the lease term
Plant and machinery	- Over 3 - 10 years straight line per annum
Motor vehicles	- 25% reducing balance per annum
Fixtures and fittings	- 33% straight line per annum
Office equipment	- 25% reducing balance per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.16 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.17 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.18 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

2.19 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

TDG Top Newco Limited

Notes to the Financial Statements For the Period Ended 30 April 2019

2. Accounting policies (continued)

2.20 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.21 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.22 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

TDG Top Newco Limited

Notes to the Financial Statements For the Period Ended 30 April 2019

2. Accounting policies (continued)

2.23 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and financing facilities from banks and other third parties.

Debt instruments (other than those wholly repayable or receivable within one year), are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

TDG Top Newco Limited

Notes to the Financial Statements For the Period Ended 30 April 2019

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgments:

- Determine whether there are indicators of impairment of the Group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- **Tangible fixed assets (see note 12)**
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- **Investments (see note 13)**
The most critical estimates, assumptions and judgments relate to the determination of carrying value of investments at fair value through the Income Statement, the Group applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstances of the investment drives the valuation methodology.

4. Turnover

The whole of the turnover is attributable to the principal activity of the Group.

Analysis of turnover by country of destination:

	Period ended 30 April 2019 £000
United Kingdom	141,957
Rest of Europe	1,197
Rest of the world	3,474
	146,628

TDG Top Newco Limited

Notes to the Financial Statements For the Period Ended 30 April 2019

5. Operating loss

The operating loss is stated after charging/(crediting):

	Period ended 30 April 2019 £000
Depreciation of tangible fixed assets	912
Amortisation of intangible assets, including goodwill	929
Exchange differences	(26)
Operating lease rentals	1,057
Loss on disposal of tangible assets	35
	<u> </u>

6. Auditor's remuneration

	Period ended 30 April 2019 £000
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	88
	<u> </u>

Fees payable to the Group's auditor and its associates in respect of:

Taxation compliance services	8
Other services relating to taxation	33
Services relating to corporate finance transactions	180
	<u> </u>
	<u>221</u>

TDG Top Newco Limited

Notes to the Financial Statements For the Period Ended 30 April 2019

7. Employees

Staff costs, including Directors' remuneration, were as follows:

	Group 2019 £000
Wages and salaries	9,558
Social security costs	907
Cost of defined contribution scheme	358
	10,823

The average monthly number of employees, including the Directors, during the period was as follows:

	Period ended 30 April 2019 No.
Administration	40
Management and operations	43
Production and sales	251
	334

The Company has no employees other than the Directors, who were paid through other Group companies.

TDG Top Newco Limited

Notes to the Financial Statements For the Period Ended 30 April 2019

8. Directors' remuneration

	Period ended 30 April 2019 £000
Directors' emoluments	373
Company contributions to defined contribution pension schemes	77
	450

During the period retirement benefits were accruing to 4 Directors in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £106,556.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £53,278.

9. Interest payable and similar expenses

	Period ended 30 April 2019 £000
Bank interest payable	144
Other loan interest payable	99
Finance leases and hire purchase contracts	9
Other interest payable	43
	295

TDG Top Newco Limited

Notes to the Financial Statements For the Period Ended 30 April 2019

10. Taxation

	Period ended 30 April 2019 £000
Corporation tax	
Current tax on profits for the year	22
	<u>22</u>
Deferred tax	
Origination and reversal of timing differences	116
	<u>138</u>
Taxation on profit	<u>138</u>

Factors affecting tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	Period ended 30 April 2019 £000
Loss before tax	(784)
Loss multiplied by standard rate of corporation tax in the UK of 19%	(149)
Effects of:	
Expenses not deductible for tax purposes	66
Amortisation not deductible for tax purposes	159
Capital allowances for period in excess of depreciation	134
Utilisation of tax losses	(117)
Other differences leading to a decrease in the tax charge	45
Total tax charge for the period	<u>138</u>

TDG Top Newco Limited

Notes to the Financial Statements For the Period Ended 30 April 2019

10. Taxation (continued)

Factors that may affect future tax charges

Under legislation substantively enacted on 17 March 2020 the UK tax rate remained at 19% from 1 April 2020 onwards. This will affect the calculation of future deferred tax charges.

11. Intangible assets

Group

	Software development £000	IPR Software £000	Goodwill £000	Total £000
Cost				
At 11 June 2018	-	-	-	-
Additions	171	302	18,687	19,160
On acquisition of subsidiaries	368	147	-	515
At 30 April 2019	539	449	18,687	19,675
Amortisation				
At 11 June 2018	-	-	-	-
Charge for the period	-	91	838	929
At 30 April 2019	-	91	838	929
Net book value				
At 30 April 2019	539	358	17,849	18,746

The software development has not yet been brought into use and as such no amortisation has been charged within the financial statements.

TDG Top Newco Limited

Notes to the Financial Statements For the Period Ended 30 April 2019

12. Tangible fixed assets

Group

	Leasehold improvements £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Office equipment £000	Total £000
Cost						
At 11 June 2018	-	-	-	-	-	-
Additions	556	405	2	104	151	1,218
Acquisition of subsidiary	817	3,220	897	391	552	5,877
Disposals	-	-	(441)	-	-	(441)
At 30 April 2019	<u>1,373</u>	<u>3,625</u>	<u>458</u>	<u>495</u>	<u>703</u>	<u>6,654</u>
Depreciation						
At 11 June 2018	-	-	-	-	-	-
Charge for the period	185	530	11	73	113	912
Disposals	-	-	(164)	-	-	(164)
At 30 April 2019	<u>185</u>	<u>530</u>	<u>(153)</u>	<u>73</u>	<u>113</u>	<u>748</u>
Net book value						
At 30 April 2019	<u>1,188</u>	<u>3,095</u>	<u>611</u>	<u>422</u>	<u>590</u>	<u>5,906</u>

The net book value of assets held under finance leases or hire purchase contracts is £724,288.

TDG Top Newco Limited

Notes to the Financial Statements For the Period Ended 30 April 2019

13. Fixed asset investments

Group

	Unlisted investments £000
Cost	
At 11 June 2018	-
Additions	10
At 30 April 2019	<u>10</u>

Unlisted investments relate to shares purchased in Pallet-Track Limited in relation to membership of the distribution network.

Company

The company holds an investment of £10 in its direct subsidiary undertakings.

Direct subsidiary undertaking

The following was a direct subsidiary undertaking of the Company:

Name	Registered office	Holding
TDG Mid Newco Limited	Unit 2 Catalina Approach, Omega South, Warrington, England, WA5 3UY	85%

TDG Top Newco Limited

Notes to the Financial Statements For the Period Ended 30 April 2019

13. Fixed asset investments (continued)

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Registered office	Holding
TDG 2018 Holdco Limited	Unit 2 Catalina Approach, Omega South, Warrington, England, WA5 3UY	100%
The Delivery Group Limited	Unit 2 Catalina Approach, Omega South, Warrington, England, WA5 3UY	100%
The Delivery Group (Holdings) Limited	Unit 2 Catalina Approach, Omega South, Warrington, England, WA5 3UY	100%
CMS Network (London) Limited	Unit 2 Catalina Approach, Omega South, Warrington, England, WA5 3UY	100%
Secured Mail Limited	Unit 2 Catalina Approach, Omega South, Warrington, England, WA5 3UY	100%
Secured Express Limited	Unit 2 Catalina Approach, Omega South, Warrington, England, WA5 3UY	100%
Postal Choices Holdings Limited	Unit 2 Catalina Approach, Omega South, Warrington, England, WA5 3UY	100%
Postal Choices Limited	Unit 2 Catalina Approach, Omega South, Warrington, England, WA5 3UY	100%

The Company holds 85% of the share capital of TDG Mid Newco Limited. The non controlling interest is entitled to £1 for each of their shares held and as such £5,955,000 has been recognised to represent this amount in the Consolidated Statement of Changes in Equity. The shares accrue no further minority interest.

14. Stocks

	Group 2019 £000
Finished goods and goods for resale	59

The difference between purchase price or production cost of stocks and their replacement cost is not material.

TDG Top Newco Limited

Notes to the Financial Statements For the Period Ended 30 April 2019

15. Debtors

	Group 2019 £000	Company 2019 £000
Due after more than one year		
Other debtors	3,593	-
	<u>3,593</u>	<u>-</u>
Due within one year		
Trade debtors	26,849	-
Amounts owed by group undertakings	-	646
Other debtors	464	-
Prepayments and accrued income	3,272	-
Deferred taxation	196	-
	<u>30,781</u>	<u>646</u>

Included within other debtors due after more than one year is a balance of £2,500,000 relating to cash deposits held as a security by Shawbrook Bank Limited on behalf of Royal Mail Group Plc. This cash balance is a non-current asset as access to the funds would require the release of the Royal Mail security.

Amounts owed by group undertakings are interest free and repayable on demand.

The impairment loss recognised in the Group profit or loss for the period in respect of bad and doubtful trade debtors was £69,000.

16. Creditors: Amounts falling due within one year

	Group 2019 £000
Invoice discounting facility (Secured)	14,544
Trade creditors	23,761
Other taxation and social security	7,209
Obligations under finance lease and hire purchase contracts	326
Other creditors	5,952
Accruals and deferred income	1,885
	<u>53,677</u>

The company has no creditors.

TDG Top Newco Limited

Notes to the Financial Statements For the Period Ended 30 April 2019

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

	Group 2019 £000
Net obligations under finance leases and hire purchase contracts	871
Deferred consideration	2,759
	<u>3,630</u>

Deferred consideration, in relation to previous acquisitions within the Group, is interest free and discounted at 3%.

18. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2019 £000
Within one year	326
Between 1-5 years	871
	<u>1,197</u>

Obligations under finance leases and hire purchase contracts are secured against the assets to which they relate.

19. Financial instruments

	Group 2019 £000	Company 2019 £000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>35,947</u>	<u>646</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(50,098)</u>	<u>-</u>

Financial assets that are debt instruments measured at amortised cost comprise unlisted investments, trade debtors, other debtors, amounts owed by group undertakings, accrued income and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, amounts owed to group undertakings, accruals, deferred consideration and obligations under finance lease and hire purchase contracts.

TDG Top Newco Limited

Notes to the Financial Statements For the Period Ended 30 April 2019

20. Deferred taxation

Group

	2019 £000
At beginning of year	-
Charged to profit or loss	(117)
Arising on business combinations	313
At end of year	196

The deferred tax asset is made up as follows:

	Group 2019 £000
Accelerated capital allowances	(237)
Tax losses carried forward	402
Pension surplus	31
	196

There is an unrecognised deferred tax asset in relation to tax losses in Secured Express Limited carried forward totalling £1,140,000. The deferred tax asset has not been recognised because in the opinion of the Director's there is uncertainty concerning the timing of available suitable taxable profits.

TDG Top Newco Limited

Notes to the Financial Statements For the Period Ended 30 April 2019

21. Share capital

	2019 £
Allotted, called up and fully paid	
77,700 A Ordinary shares of £0.0001 each	8
22,200 B Ordinary shares of £0.0001 each	2
	10

The Company was incorporated on 11 June 2018 with 1 Ordinary share of £0.01 issued at par value.

On 22 June 2018 this share was sub-divided and redesignated as 100 A Ordinary shares of £0.0001 each.

On 22 June 2018, the Company issued 77,600 A Ordinary Shares of £0.0001 each and 22,200 B Ordinary shares of £0.0001 each at par value.

Rights, preferences and restrictions

The holders of the A Ordinary shares shall have no right to vote and speak at general meetings, the right to vote on written resolutions of the Company, the right (together with the B Ordinary shares) to receive all distributions of the Company and the right (together with the B Ordinary shares) to receive all surplus assets of the Company on a return of capital. The A Ordinary shares are not redeemable.

The holders of the B Ordinary shares shall have no right to vote, the right (together with the A Ordinary shares) to receive all distributions of the Company and the right (together with the A Ordinary shares) to receive all surplus assets of the Company on a return of capital. The B Ordinary shares are not redeemable.

Minority interest

The Group has a minority interest of £5,955,000 at the year end. This relates to shares classed as debt in a subsidiary company TDG Mid Newco Limited. TDG Mid Newco Limited holds 2,977,685 Series 1 Second Preferred Ordinary shares and 2,977,685 Series 2 Second Preferred Ordinary Shares. These shares have a nominal value of £0.0001 each but each share has a right of redemption at a value of £1 each.

22. Reserves

The Group's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

TDG Top Newco Limited

Notes to the Financial Statements For the Year Ended 30 April 2020

23. Business combinations

Acquisition of TDG 2018 Holdco Limited and its subsidiaries

On 22 June 2018, TDG Mid Newco Limited purchased 85% share capital of TDG 2018 Holdco Limited and its subsidiaries for consideration of £12,166,000.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustment £	Fair value £
Fixed assets			
Intangible	394	-	394
Tangible	5,078	-	5,078
	5,472	-	5,472
Current assets			
Stocks	53	-	53
Debtors due within one year	24,701	-	24,701
Deferred tax	384	-	384
Cash at bank and in hand	4,058	-	4,058
	34,668	-	34,668
Total assets			
	34,668	-	34,668
Creditors			
Due within one year	(25,089)	-	(25,089)
	9,579	-	9,579
Total identifiable net assets			
	9,579	-	9,579
Non-controlling interest			(5,955)
Goodwill			8,542
Total purchase consideration			12,166
Consideration			
Cash			8,932
Debt instruments			2,582
Directly attributable costs			652
			12,166
Total purchase consideration			12,166
Cash outflow on acquisition			
Purchase consideration settled in cash, as above			8,932
Directly attributable costs			652
			9,584
Less: Cash and cash equivalents acquired			(4,058)
Net cash outflow on acquisition			5,526

TDG Top Newco Limited

Notes to the Financial Statements For the Year Ended 30 April 2020

23. Business combinations (continued)

Acquisition of Postal Choices Holdings Limited and its subsidiary

On 22 March 2019, The Delivery Group (Holdings) Limited purchased 100% share capital of Postal Choices Holdings Limited and its subsidiary Postal Choices Limited for consideration of £13,518,000.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £000	Fair value adjustment £000	Fair value £000
Fixed assets			
Intangible	121	-	121
Tangible	799	-	799
	<u>920</u>	<u>-</u>	<u>920</u>
Current assets			
Debtors due within one year	12,860	-	12,860
Cash at bank and in hand	2,361	-	2,361
	<u>16,141</u>	<u>-</u>	<u>16,141</u>
Total assets			
Creditors			
Due within one year	(12,688)	-	(12,688)
Deferred tax	(80)	-	(80)
	<u>3,373</u>	<u>-</u>	<u>3,373</u>
Total identifiable net assets			
Goodwill			<u>10,145</u>
Total purchase consideration			<u>13,518</u>
Consideration			
Cash			7,200
Deferred consideration			5,742
Directly attributable costs			576
			<u>13,518</u>
Total purchase consideration			<u>13,518</u>
Cash outflow on acquisition			
Purchase consideration settled in cash, as above			7,200
Directly attributable costs			576
			<u>7,776</u>
Less: Cash and cash equivalents acquired			(2,361)
Net cash outflow on acquisition			<u>5,415</u>

TDG Top Newco Limited

Notes to the Financial Statements For the Period Ended 30 April 2019

24. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £358,000. The amounts outstanding at the year end were £49,000.

25. Commitments under operating leases

At 30 April 2019 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £000
Not later than 1 year	1,289
Later than 1 year and not later than 5 years	2,417
Later than 5 years	-
	3,706

26. Related party transactions

The Company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the Group.

27. Post balance sheet events

On 31 January 2020, the World Health Organisation (WHO) announced a global health emergency in relation to the COVID-19 outbreak and the risks to the international community as the virus spreads globally beyond its point of origin. Because of the rapid increase in exposure globally, on 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic.

No current information has been identified by the directors which would effect the carrying value of amounts held on the Statement of Financial Position as at 30 April 2019

28. Controlling party

The ultimate controlling party is Mr S L Stokes virtue of his majority shareholding.