

STOREFEEDER LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 27 MARCH 2022



STOREFEEDER LTD

COMPANY INFORMATION

Directors	A Lorke B Williamson J Patel
Company secretary	D Heilig
Registered number	06585175
Registered office	185 Farringdon Road London United Kingdom EC1A 1AA
Independent auditor	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

STOREFEEDER LTD

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STOREFEEDER LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 27 MARCH 2022

The directors present their report and the financial statements for the period ended 27 March 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 to 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.

Principal activity

The Company's principal activity is the provision of commercial, digital and technical solutions and support for the multi-channel e-commerce industry, typically selling to SMEs and businesses in the postal and fulfilment markets. The Company also provides IT development and maintenance services to the Royal Mail Group.

Results and dividends

The profit for the year, after taxation, amounted to £2,008,000 (2021: £1,943,000).

There has been no dividend declared by the Directors (2021: £1,500,000). The £1,500,000 dividend that was recommended in the prior period financial statements has been paid in the current period.

The following have served as Directors of the Company during the period ended 27 March 2022 and up to the date of approval of these financial statements unless otherwise stated:

A Lorke
B Williamson
J Patel

No Director has a beneficial interest in the share capital of the Company.

Political donations

No political donations were made in the period (2021: £Nil).

STOREFEEDER LTD

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 27 MARCH 2022

Principal risks and uncertainties

The principal risk faced by the Company is the continuing successful performance and development of computer software. This risk is mitigated by the Directors closely monitoring the performance and allocation of resources within the Company.

Corporate Responsibility

The Company is committed to carrying out its activities in a socially responsible manner in respect of the environment, employees, customers and local communities. The Board of the ultimate parent Company, Royal Mail plc, publishes details of its activities in its Annual Report and Financial Statements.

Future developments

The Company is expected to continue its current business activities for the foreseeable future.

Through monitoring of key financial and quality of service indicators, the Directors consider the performance and position of the Company to be in line with expectations.

Key Performance Indicators (KPIs)

The Directors consider a number of financial KPIs in monitoring the performance of the Company, as follows:

- Revenue, and
- Profit before tax

Revenue for the period was £8,330,000 (2021: £6,833,000) and profit before tax for the period was £1,986,000 (2021: £2,047,000). The Directors are satisfied that the Company has met its expectations with respect to the KPIs in the reporting period.

Research and development activities

Research and development expenditure during the period amount to £Nil (2021: £Nil).

Employees

Our goal is to ensure that all employees are engaged and involved in the business and are aligned and equipped to meet business objectives. As part of our commitment to drive better service for customers we continue to focus on improving the quality of our leadership, professionalising key roles and achieving greater employee involvement in decision making. Underpinning all of this is a need for dignity at work, where everybody feels valued, is treated fairly and equally and with everyone playing a full part in helping the Company to achieve its goals.

Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the candidates' particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

STOREFEEDER LTD

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 27 MARCH 2022

Indemnity of Directors

To the extent permitted by the Companies Act 2006, the Company may indemnify any Director or former Director of the Company or any associated Company against any liability. The ultimate parent undertaking, Royal Mail plc, holds a Directors' and officers' liability insurance policy covering the Directors and officers or former directors of its subsidiary undertakings against any liability.

Cautionary statement regarding forward-looking information

Where this review contains forward-looking statements, these are made by the Directors in good faith based on the information available to them at the time of their approval of this report. These statements should be treated with caution due to the inherent risks and uncertainties underlying any such forward-looking information. A number of important factors, including those in this document, could cause actual results to differ materially from those contained in any forward-looking statement.

Going concern

The Company had net assets of £2,657,000 at 27 March 2022 (2021: £2,149,000). The Directors have considered the financial position and future prospects of the Company for twelve months from the date of signing the financial statements and believe that the Company has access to sufficient resources to manage its business successfully. Accordingly, the financial statements are prepared under the going concern basis.

Strategic report

The Directors have taken advantage of the small companies' exemption from the requirement to prepare a strategic report.

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'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's auditor is aware of that information.

Auditor

The auditor, Cooper Parry Group Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 22 August 2022 and signed on its behalf.



A Lorke
Director

STOREFEEDER LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STOREFEEDER LTD

Opinion

We have audited the financial statements of Storefeeder Ltd (the 'Company') for the period ended 27 March 2022, which comprise the income statement, the balance sheet, the statement of changes in equity and the related notes, 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 101 'Reduced Disclosure Framework' (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 27 March 2022 and of its profit for the period 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 United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

STOREFEEDER LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STOREFEEDER LTD (CONTINUED)

Opinion 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 Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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.
- the Directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 1, 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.

STOREFEEDER LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STOREFEEDER LTD (CONTINUED)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment focused on key laws and regulations the Company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included, but were not limited to, compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor on the engagement ensured that the engagement team collectively had the appropriate competence, capabilities, and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Company through discussions with management, and from our commercial knowledge of the industry;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit; and
- we assessed the susceptibility of the Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.

To address the risk of fraud through management bias and override of controls, we:

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias, and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

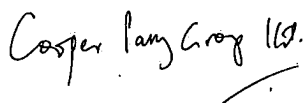
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

STOREFEEDER LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STOREFEEDER LTD (CONTINUED)

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 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.



Neil Calder (senior statutory auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA
Date: 23 August 2022

STOREFEEDER LTD

INCOME STATEMENT
FOR THE PERIOD ENDED 27 MARCH 2022

	Note	2022 £000	2021 £000
Revenue		8,330	6,833
People costs	5	(4,345)	(2,997)
Other operating costs	4	(1,988)	(1,776)
Operating profit		1,997	2,060
Finance costs	7	(11)	(13)
Profit before tax		1,986	2,047
Tax on profit	8	22	(104)
Profit for the financial year		2,008	1,943

There was no other comprehensive income for 2022 (2021: £Nil).

All activities derive from the continuing operations of the Company.

The notes on pages 11 to 20 form part of these financial statements.

STOREFEEDER LTD
REGISTERED NUMBER: 06585175

BALANCE SHEET
AS AT 27 MARCH 2022

	Note	2022 £000	2021 £000
Non current assets			
Right of use assets	10	522	597
Deferred taxation	15	9	6
		531	603
Current assets			
Trade and other receivables: amounts due within one year	11	3,822	3,239
Cash at bank and in hand		94	84
		3,916	3,323
Trade and other payables: amounts falling due within one year	12	(1,323)	(1,229)
		2,593	2,094
Net current assets		2,593	2,094
Total assets less current liabilities		3,124	2,697
Creditors: amounts falling due after more than one year	13	(467)	(548)
		2,657	2,149
Net assets		2,657	2,149
Capital and reserves			
Called up share capital	16	1	1
Retained earnings		2,656	2,148
		2,657	2,149

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



A Lorke
 Director

The notes on pages 11 to 20 form part of these financial statements.

STOREFEEDER LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 27 MARCH 2022

	Called up share capital	Retained earnings	Total equity
	£000	£000	£000
At 29 March 2021	1	2,148	2,149
Profit for the year	-	2,008	2,008
Dividends: Equity capital (Note 9)	-	(1,500)	(1,500)
At 27 March 2022	1	2,656	2,657

The notes on pages 11 to 20 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 28 MARCH 2021

	Called up share capital	Retained earnings	Total equity
	£000	£000	£000
At 30 March 2020	1	1,705	1,706
Profit for the year	-	1,943	1,943
Dividends: Equity capital (Note 9)	-	(1,500)	(1,500)
At 28 March 2021	1	2,148	2,149

The notes on pages 11 to 20 form part of these financial statements.

STOREFEEDER LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 27 MARCH 2022

1. Accounting policies

1.1 Basis of preparation of financial statements

Storefeeder Limited (the Company) is a limited liability company incorporated and domiciled in England and Wales. The address of its registered office is disclosed on the Company information page.

The financial statements are prepared in Sterling (£), which is the functional currency of the Company. The financial statements are for a period of 52 weeks ended 27 March 2022 (2021: 52 weeks ended 28 March 2021). These financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK ("Adopted IFRSs"), but make amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Royal Mail plc includes the Company in its consolidated financial statements. The consolidated financial statements of Royal Mail plc are available to the public and may be obtained from the Company Secretary, 185 Farringdon Road, London, EC1A 1AA or at www.royalmailgroup.com.

The following principal accounting policies have been applied:

1.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based payment
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held For Sale and Discontinued Operations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Royal Mail plc. The financial statements of Royal Mail plc can be obtained as described in note 1.1.

These financial statements do not include certain disclosures of:

- Financial instruments (other than certain disclosures required as a result of recording financial instruments at fair value).
- Fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value).

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.3 Adoption of new and revised standards

No new standards have been adopted in the period which have a material impact on the entity.

STOREFEEDER LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 27 MARCH 2022

1. Accounting policies (continued)

1.4 Going concern

The company has net current assets of £2,593,000 (2021: £2,094,000) and net assets of £2,657,000 (2021: £2,149,000). The Directors have considered the financial position and future prospects of the Company for twelve months from the date of signing the financial statements and believe that the Company has access to sufficient resources to manage its business successfully. Accordingly, the financial statements are prepared under the going concern basis.

1.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Rendering of services

Revenue from providing services is recognised in the accounting period in which the services are rendered.

1.6 Leases

The Company leases a property. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreement does not impose any covenants, but leased assets cannot be used as security for borrowing purposes.

A lease is recognised as a right of use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right of use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Company's incremental borrowing rate.

Right of use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received; and
- Restoration costs.

STOREFEEDER LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 27 MARCH 2022

1. Accounting policies (continued)

1.6 Leases (continued)

Payments associated with short term leases and leases of low value assets are recognised on a straight line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less. Low value assets comprise IT equipment and small items of office furniture.

1.7 Finance costs

Finance costs are charged to the income statement over the lease period and relate to the unwinding of discounting on leases.

1.8 Pensions

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.9 Current and deferred taxation

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of the deferred tax liabilities or other future taxable profits.

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

1.10 Right of use 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.

STOREFEEDER LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 27 MARCH 2022

1. Accounting policies (continued)

1.10 Right of use assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Right of use assets - straight line over the life of the lease

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 profit or loss.

1.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future. Management are also required to exercise judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

In preparing these financial statements, the Directors have made the following judgements:

Leases

Under IFRS 16, lease liabilities are initially recognised at the commencement date at the present value of future lease payments discounted at the rate inherent in the lease or, where this is not readily determinable, an appropriate IBR. In practice, the rate inherent in the lease is not always readily determinable so an IBR is used.

The IBR is the rate of interest that a lessee would have to pay to borrow, over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment. The methodology used to obtain these rates is therefore considered an area of judgement.

Judgement is also required in terms of considering the likelihood of certain options being taken up such as break clauses. Refer to note 1.6 for additional disclosures related to leases.

STOREFEEDER LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 MARCH 2022**

3. Turnover

The total revenue of the Company for the period has been derived from its principal activity being the supply of service wholly undertaken in the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2022	2021
	£000	£000
Depreciation on right of use assets	75	74
	75	74

Auditor's remuneration amounted to £10,000 (2021: £10,000) for the audit of the statutory financial statements and was met by the immediate parent company, Royal Mail Group Limited. The auditor did not provide any non-audit services for the 52 weeks ended 27 March 2022 and 52 weeks ended 28 March 2021.

5. Employees

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

	2022	2021
	£000	£000
Wages and salaries	3,804	2,578
Social security costs	249	192
Cost of defined contribution scheme	292	227
	4,345	2,997

Included within staff costs above is £1,610,000 (2021: £837,000) of temporary resource.

The average monthly number of employees, including Directors, during the year was 47 (2021: 40).

6. Directors' remuneration

	2022	2021
	£000	£000
Directors' emoluments	171	137
Company contributions to defined contribution pension schemes	13	10
	184	147

During the year retirement benefits were accruing to one director (2021: one) in respect of defined contribution pension schemes. The remuneration disclosed above relates to the one (2021: one) director who is directly remunerated by the company. The other directors are employees of other companies within the Royal Mail Group. They did not provide any substantive services to the company during the current or prior periods and as such none of the remuneration has been allocated to the company.

STOREFEEDER LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 MARCH 2022

7. Interest payable and similar expenses

	2022 £000	2021 £000
Interest on lease liabilities	11	13
	<u>11</u>	<u>13</u>

8. Taxation

	2022 £000	2021 £000
Corporation tax		
Current tax on profits for the year	-	104
Adjustments in respect of previous periods	(19)	-
	<u>(19)</u>	<u>104</u>
Total current tax	<u>(19)</u>	<u>104</u>
Deferred tax		
Origination and reversal of timing differences	(1)	-
Changes to tax rates	(2)	-
	<u>(3)</u>	<u>-</u>
Total deferred tax	<u>(3)</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>(22)</u>	<u>104</u>

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £000	2021 £000
Profit on ordinary activities before tax	<u>1,986</u>	<u>2,047</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	377	389
Effects of:		
Adjustments to tax charge in respect of prior periods	(19)	-
Impact on deferred tax of changes in tax rate	(2)	-
Group relief	(385)	(291)
Transfer pricing adjustments	7	6
Total tax (credit)/charge for the period	<u>(22)</u>	<u>104</u>

STOREFEEDER LTD

**NOTES TO THE FINANCIAL STATEMENTS
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8. Taxation (continued)

Factors that may affect future tax charges

On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023. This was substantively enacted on 24 May 2021. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised, based on tax law and the corporation tax rates that have been enacted, or substantively enacted, at the balance sheet date. As such, the deferred tax rate applicable at 27 March 2022 is 25% and deferred tax has been re-measured at this rate.

9. Dividends

	2022	2021
	£000	£000
Dividends on ordinary shares	1,500	1,500
	1,500	1,500
	1,500	1,500

10. Right of use assets

	Land and buildings
	£000
Cost or valuation	
At 28 March 2021	746
At 27 March 2022	746
Depreciation	
At 28 March 2021	149
Charge for the period on right of use assets	75
At 27 March 2022	224
Net book value	
At 27 March 2022	522
At 28 March 2021	597

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 MARCH 2022

11. Debtors

	2022 £000	2021 £000
Due after more than one year		
Deferred taxation	9	6
	<u>9</u>	<u>6</u>
Due within one year		
Trade debtors	63	11
Amounts owed by group undertakings	3,759	3,228
	<u>3,822</u>	<u>3,239</u>

12. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	297	218
Corporation tax	-	104
Other taxation and social security	60	50
Lease liabilities	81	80
Accruals and deferred income	885	777
	<u>1,323</u>	<u>1,229</u>

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

	2022 £000	2021 £000
Lease liabilities	467	548
	<u>467</u>	<u>548</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 MARCH 2022

14. Leases

The maturity analysis of the lease liabilities are as follows:

	2022 £000	2021 £000
Less than one year	81	80
In the second to fifth years inclusive	302	296
Over five years	165	252
	<u>548</u>	<u>628</u>

15. Deferred taxation

	2022 £000
At beginning of year	6
Credited to profit or loss	3
At end of year	<u>9</u>

The deferred tax asset is made up as follows:

	2022 £000	2021 £000
Accelerated capital allowances	3	2
Pension temporary differences	6	4
	<u>9</u>	<u>6</u>

16. Share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
1,000 (2021:1,000) ordinary shares of £1.00 each	<u>1</u>	<u>1</u>

STOREFEEDER LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 27 MARCH 2022

17. Related party transactions

The Company has taken advantage of the exemption under FRS 101 not to disclose transactions or balances with wholly owned entities of Royal Mail plc, the ultimate controlling parent Company.

The sales to and purchases from related parties are made at normal market prices. Balances outstanding at the period end are unsecured, interest free and settlement is made by cash.

18. Controlling party

The Company's immediate parent company is Royal Mail Group Limited. Financial statements are available from Companies House, Cardiff, CF14 3UZ. The Company's ultimate parent company and controlling party is Royal Mail plc, which is both the smallest and largest group for which consolidated financial statements are prepared. Consolidated financial statements are available from Companies House, Cardiff, CF14 3UZ.