

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019
FOR
WORLD COURIER LOGISTICS (UK) LTD**

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WORLD COURIER LOGISTICS (UK) LTD

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for the Year Ended 30 September 2019**

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WORLD COURIER LOGISTICS (UK) LTD

COMPANY INFORMATION
for the Year Ended 30 September 2019

DIRECTORS: S G Herbert
T P Hanbury
Ms C V M Davey – appointed 10 January 2019

SECRETARY: Ms C V M Davey

REGISTERED OFFICE: 5th Floor
Bush House North West Wing
Aldwych
London
WC2B 4PJ

REGISTERED NUMBER: 03939241 (England and Wales)

INDEPENDENT AUDITOR: Grant Thornton UK LLP
30 Finsbury Square
London
EC2A 1AG

WORLD COURIER LOGISTICS (UK) LTD

**STRATEGIC REPORT
for the Year Ended 30 September 2019**

The directors present their Strategic report with the financial statements of the company for the year ended 30 September 2019.

World Courier Logistics (UK) Ltd is a well-established company which provides the collection, storage and delivery of commercial materials worldwide.

The company is a wholly owned subsidiary of AmerisourceBergen Corporation, a company incorporated in the United States of America.

REVIEW OF BUSINESS

The company made a profit after taxation of £1,600,533 for the year ended 30 September 2019 (2018 £5,168,803). No dividend income was received during the year ended 30 September 2019 (2018 £nil). No dividends were paid during the year ended 30 September 2019 (2018 £4,400,000).

The company's turnover increased by 0.4% over the previous year and gross margins decreased from 8% to 7.4%. Turnover shows stable year on year performance.

Overheads increased during the year, largely driven by an increase in wages.

Other operating income decreased by 99% over the previous year due to a fall in foreign currency gains.

The company's net assets remain very strong and the directors anticipate continued profitability in the year ended 30 September 2020.

KEY PERFORMANCE INDICATORS

The directors monitor the performance of the company with particular reference to the following key performance indicators:

- 1. Budgeted turnover is compared to actual turnover on an ongoing basis.
- 2. Budgeted gross margin is compared to actual gross margin on an ongoing basis.
- 3. Budgeted operating profit is compared to actual operating profit on an ongoing basis.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the nature of the company's strategy are subject to a number of risks. The directors are of the opinion that a thorough risk management process is adopted which involves the formal review of the risks. Where possible, processes are in place to monitor and mitigate such risks.

The principal risk of the business is competition and as a result there is a constant downward pressure on margins. Policies of constant price monitoring and ongoing market research are in place to mitigate such risks. The company is also exposed to currency exchange rate risk due to a significant portion of its receivables, payables, revenues and operating expenses being denominated in non-Sterling currencies.

ON BEHALF OF THE BOARD:

Trevor Hanbury

.....
T P Hanbury - Director

17/7/2020

Date:

WORLD COURIER LOGISTICS (UK) LTD

REPORT OF THE DIRECTORS for the Year Ended 30 September 2019

The directors present their report with the financial statements of the company for the year ended 30 September 2019.

DIVIDENDS

No dividends have been distributed for the year ended 30 September 2019 (2018 £4,400,000).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2018 to the date of this report.

S G Herbert
T P Hanbury

Other changes in directors holding office are as follows:

Ms C V M Davey - appointed 10 January 2019

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company uses various financial instruments which include cash, trade debtors and trade creditors. The main purpose of these financial instruments is to provide working capital to support the company's operations. The directors consider that the company has some inherent exposure to credit risk and foreign currency exchange risks but no other significant risk exposure.

Credit risk primarily arises from trade debtors. In order to manage this risk, the company sets credit limits for each customer, based on payment history and credit references for new customers. Credit limits are reviewed by the credit controller on an ongoing basis in conjunction with the age of individual debts and the collection history of individual customers.

The company is exposed to currency exchange rate risk due to a significant proportion of its receivables, payables, revenues and operating expenses being denominated in non-Sterling currencies. The company has mitigations due to natural hedges between non-Sterling assets and liabilities. The company does not use hedging and any gains or losses on foreign exchange are realised through the Income Statement.

FUTURE DEVELOPMENTS

World Courier Logistics (UK) Ltd remains fully integrated into the AmerisourceBergen group of companies and the directors are confident that the company is in a position to enhance its global presence, further enabling it to increase its turnover and improve its profitability.

GOING CONCERN

The Directors have assessed the effects of Covid-19 on the business globally. This has been based on significant operational measures taken to maintain shipments provided for customers which included sourcing and providing personal, protective equipment for logistic and operational staff globally, sourcing alternative space on international carriers and keeping all operational locations open globally throughout the lockdown. The Directors continue to update the financial forecasts monthly to track performance in the short and medium term and have a range of daily and monthly operational and financial reporting metrics to enable close monitoring.

No material uncertainties that cast significant doubt on the ability of the company to continue as a going concern have been identified by the directors. The directors are basing this on the ongoing performance and forecasts which show continued revenue growth and profitability, the cash position which continues to be strong and the continual assessment of the long range plan for the World Courier Group which shows ongoing performance improvements.

WORLD COURIER LOGISTICS (UK) LTD

**REPORT OF THE DIRECTORS
for the Year Ended 30 September 2019**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including the adoption of FRS 102. 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors confirm that: so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

The auditor, Grant Thornton UK LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Trevor Hanbury

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T P Hanbury - Director

17/7/2020

Date:

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF WORLD COURIER LOGISTICS (UK) LTD

Opinion

We have audited the financial statements of World Courier (U.K.) Limited (the 'company') for the year ended 30 September 2019 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity 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 Company's affairs as at 30 September 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF WORLD COURIER LOGISTICS (UK) LTD

Other information

The directors are responsible for the other information. The other information comprises the information included in the strategic report and the directors' 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.

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 the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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 strategic report or the directors' report.

Matters on which we are required to report by exception

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.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
WORLD COURIER LOGISTICS (UK) LTD**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Richard Hagley BSc FCA (Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP

Statutory Auditor
30 Finsbury Square
London
EC2A 1AG

17/7/2020

Date:

WORLD COURIER LOGISTICS (UK) LTD

STATEMENT OF COMPREHENSIVE INCOME
for the Year Ended 30 September 2019

	Notes	2019 £	2018 £
TURNOVER	4	35,974,344	35,828,001
Cost of sales		<u>(33,306,996)</u>	<u>(32,950,304)</u>
GROSS PROFIT		2,667,348	2,877,697
Administrative expenses		<u>(889,399)</u>	<u>(752,952)</u>
		1,777,949	2,124,745
Other operating income		<u>46,460</u>	<u>4,515,879</u>
OPERATING PROFIT	7	1,824,409	6,640,624
Interest receivable and similar income	8	<u>151,558</u>	<u>25,171</u>
		1,975,967	6,665,795
Interest payable and similar expenses	9	<u>-</u>	<u>(121,135)</u>
PROFIT BEFORE TAXATION		1,975,967	6,544,660
Tax on profit	10	<u>(375,434)</u>	<u>(1,375,857)</u>
PROFIT FOR THE FINANCIAL YEAR		1,600,533	5,168,803
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,600,533</u>	<u>5,168,803</u>

The notes form part of these financial statements

WORLD COURIER LOGISTICS (UK) LTD (REGISTERED NUMBER: 03939241)

STATEMENT OF FINANCIAL POSITION

30 September 2019

	Notes	30.9.19		30.9.18	
		£	£	£	£
FIXED ASSETS					
Tangible assets	12		-		-
Investments	13		<u>6,391,092</u>		<u>6,391,092</u>
			6,391,092		6,391,092
CURRENT ASSETS					
Debtors	14				
- Amounts falling due within one year		9,761,948		6,480,619	
- Amounts falling due after more than one year		3,309,154		3,309,154	
Cash at bank		<u>15,687,538</u>		<u>13,667,257</u>	
		28,758,640		23,457,030	
CREDITORS					
Amounts falling due within one year	15	<u>(25,139,901)</u>		<u>(21,438,824)</u>	
NET CURRENT ASSETS			<u>3,618,739</u>		<u>2,018,206</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>10,009,831</u>		<u>8,409,298</u>
CAPITAL AND RESERVES					
Called up share capital	16		66,415		66,415
Share premium	17		3,084,983		3,084,983
Retained earnings	17		<u>6,858,433</u>		<u>5,257,900</u>
SHAREHOLDERS' FUNDS			<u>10,009,831</u>		<u>8,409,298</u>

17/7/2020

The financial statements were approved by the Board of Directors on and were signed on its behalf by:

Trevor Hanbury

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T P Hanbury - Director

WORLD COURIER LOGISTICS (UK) LTD**STATEMENT OF CHANGES IN EQUITY
for the Year Ended 30 September 2019**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 October 2017	66,415	4,489,097	3,084,983	7,640,495
Changes in equity				
Dividends	-	(4,400,000)	-	(4,400,000)
Total comprehensive income	-	<u>5,168,803</u>	-	<u>5,168,803</u>
Balance at 30 September 2018	<u>66,415</u>	<u>5,257,900</u>	<u>3,084,983</u>	<u>8,409,298</u>
Changes in equity				
Total comprehensive income	-	<u>1,600,533</u>	-	<u>1,600,533</u>
Balance at 30 September 2019	<u><u>66,415</u></u>	<u><u>6,858,433</u></u>	<u><u>3,084,983</u></u>	<u><u>10,009,831</u></u>

The notes form part of these financial statements

WORLD COURIER LOGISTICS (UK) LTD**NOTES TO THE FINANCIAL STATEMENTS****for the Year Ended 30 September 2019****1. GENERAL INFORMATION**

World Courier Logistics (UK) Limited is a company limited by shares, incorporated and registered in England and Wales (registration number 03939241). The address of the registered office is given within the Company Information. The nature of the company's operations and its principal activities are set out in the Strategic Report on page 2.

2. BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standards 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

Going concern

The Directors have assessed the effects of Covid-19 on the business globally. This has been based on significant operational measures taken to maintain shipments provided for customers which included sourcing and providing personal, protective equipment for logistic and operational staff globally, sourcing alternative space on international carriers and keeping all operational locations open globally throughout the lockdown. The Directors continue to update the financial forecasts monthly to track performance in the short and medium term and have a range of daily and monthly operational and financial reporting metrics to enable close monitoring.

The financial statements have been prepared on a going concern basis and no material uncertainties that cast significant doubt on the ability of the company to continue as a going concern have been identified by the directors. The directors are basing this on the ongoing performance and forecasts which show continued revenue growth and profitability, the strong cash position and the continual assessment of the long range plan for the World Courier Group which shows ongoing performance improvements.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland";

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Judgements in applying accounting policies and key sources of estimation uncertainty

When preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the Statement of Financial Position date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are as follows:

1) Revenue and cost recognition

Revenue recognition includes a sales accrual based on the period after the billing cut off which includes an assessment of the invoices issued after the year end relating to services performed prior to year end cut off. A cost accrual is also provided for invoices received after the year end but relating to services or goods received prior to year end cut off.

WORLD COURIER LOGISTICS (UK) LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 September 2019**

2. BASIS OF PREPARATION – continued

Preparation of consolidated financial statements

The financial statements contain information about World Courier Logistics (UK) Limited as an individual company and do not contain consolidated financial information as the parent of the group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its ultimate parent, AmerisourceBergen Corporation, a company registered in the United States of America.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

Turnover

Turnover represents net invoiced sales of goods and services, excluding VAT and trade discounts. Revenue is recognised when goods are delivered and services are provided.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less impairment.

Foreign currencies

The company has a presentation currency of Pounds Sterling (GBP) and has determined that Pound Sterling is its functional currency, as it is the currency of the economic environment in which the company predominantly operates.

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the reporting date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the Statement of Comprehensive Income.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

WORLD COURIER LOGISTICS (UK) LTD**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 September 2019****3. ACCOUNTING POLICIES - continued****Financial instruments**

Financial instruments are recognised on the company's Statement of Financial Position when the company becomes party to the contractual provision of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are measured as set out below. A financing transaction is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments are classified as either 'basic' or 'other'; in accordance with Chapter 11 of FRS 102. All financial instruments held by the company have been classified as basic.

At the end of each reporting period, debt instruments classified as basic are measured at amortised cost using the effective interest rate method.

Financial assets are derecognised when the contractual rights to the cash flows from the assets expire, or when the company has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

Trade debtors

Trade debtors are amounts due from customers. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally the invoice price, less any allowances for doubtful debts.

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 twenty four hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Trade creditors

Trade creditors are the obligation to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as creditors falling due within one year if payment is due within one year or less. If not, they are presented as creditors falling due after one year.

Trade creditors are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

Financial risk managementGeneral

The company has exposure to the following two main areas of risks from its use of financial instruments:

- 1) Foreign Exchange transaction currency exposure
- 2) Credit risk

The directors of the company have overall responsibility for the establishment and oversight of the company's risk management framework. There have been no changes to the company's exposure to risks or the methods used to measure and manage these risks during the year.

Foreign Exchange transaction currency exposure

The company is exposed to currency exchange rate risk due to a significant proportion of its receivables, payables, revenues and operating expenses being denominated in non-Sterling currencies. The company has mitigations due to natural hedges between non-Sterling assets and liabilities. The company does not use hedging and any gains or losses on foreign exchange are realised through the Statement of Comprehensive Income.

WORLD COURIER LOGISTICS (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 September 2019

3. ACCOUNTING POLICIES – continued

Credit risk management

Credit risk primarily refers to the risk that a client will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy clients. Credit risk also arises from amounts to be billed to clients, cash and cash equivalents and guarantees.

Ongoing credit evaluation is performed on the financial condition of client receivables and the company does not have any significant credit risk exposure to any single client.

The credit risk on liquid funds is limited because the leading bank used is one with a high credit rating assigned by international credit rating agencies and cash deposits are placed only with the company's relationship bank.

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2019	2018
	£	£
Europe	2,696,941	2,586,879
United States of America	32,137	57,571
South and Central America	16,632,058	16,107,324
Far East and Australasia	15,587,689	15,829,522
Africa	<u>1,025,519</u>	<u>1,246,705</u>
	<u><u>35,974,344</u></u>	<u><u>35,828,001</u></u>

Turnover represents net invoiced sales of goods or services, excluding VAT and trade discounts. Revenue is recognised when goods are delivered or services are provided during the month.

5. EMPLOYEES AND DIRECTORS

	2019	2018
	£	£
Wages and salaries	318,124	237,932
Social security costs	38,304	37,783
Other pension costs	<u>10,825</u>	<u>8,856</u>
	<u><u>367,253</u></u>	<u><u>284,571</u></u>

The average number of employees during the year was as follows:

	2019	2018
Administration	<u><u>7</u></u>	<u><u>8</u></u>

6. DIRECTORS' EMOLUMENTS

	2019	2018
	£	£
Directors' remuneration	<u><u>-</u></u>	<u><u>-</u></u>

The Directors have received emoluments from another group company, of which none related to their services as directors of the company.

The company's key management comprises of 2 (2018; 2) employees who received a total remuneration of £178,488 (2018; £176,796).

WORLD COURIER LOGISTICS (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 September 2019

7. OPERATING PROFIT

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

	2019	2018
	£	£
Auditors' remuneration: Audit services	28,362	25,657
Foreign exchange differences	<u>(46,460)</u>	<u>(4,515,879)</u>

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019	2018
	£	£
Bank interest received	77,308	25,171
Interest receivable from group undertakings	<u>74,250</u>	<u>-</u>
	<u>151,558</u>	<u>25,171</u>

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Interest payable to group undertakings	<u>-</u>	<u>121,135</u>

10. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2019	2018
	£	£
Current tax:		
UK corporation tax	<u>375,434</u>	<u>1,375,857</u>
Tax on profit	<u>375,434</u>	<u>1,375,857</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is the same as the standard rate of corporation tax in the UK.

	2019	2018
	£	£
Profit before tax	<u>1,975,967</u>	<u>6,544,660</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	375,434	1,243,485
Effects of:		
Adjustment for provision in previous year	<u>-</u>	<u>132,372</u>
Total tax charge	<u>375,434</u>	<u>1,375,857</u>

WORLD COURIER LOGISTICS (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 September 2019

10. TAXATION - continued

Factors that may affect future tax charges

A reduction in the UK corporation tax rate to 17% (effective 1 April 2020) was substantially enacted on 6 September 2016.

The further reduction in tax rate will affect both the future and current deferred tax charge of the company.

11. DIVIDENDS

	2019 £	2018 £
Ordinary shares of £1 each		
Interim	-	<u>4,400,000</u>

12. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 October 2018 and 30 September 2019	<u>86,814</u>
DEPRECIATION	
At 1 October 2018 and 30 September 2019	<u>86,814</u>
NET BOOK VALUE	
At 30 September 2019	<u>-</u>
At 30 September 2018	<u>-</u>

13. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 October 2018 and 30 September 2019	<u>6,391,092</u>
NET BOOK VALUE	
At 30 September 2019	<u>6,391,092</u>
At 30 September 2018	<u>6,391,092</u>

The company owns 100% of the issued share capital of World Courier (Ireland) Limited, a company incorporated in Ireland. The principal activities of this company are the collection, storage and delivery of commercial materials.

World Courier (Ireland) Limited owns 100% of the issued ordinary share capital of World Courier Logistics (Europe) Limited. The principal activities of this company are the collection, storage and delivery of commercial materials. The company is incorporated in Ireland.

Further details including the registered addresses of each of the above subsidiaries may be obtained by writing to the Company Secretary, 5th Floor, Bush House North West Wing, Aldwych, London, WC2B 4BJ.

WORLD COURIER LOGISTICS (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 September 2019

14. DEBTORS

	30.9.19	30.9.18
	£	£
Amounts falling due within one year:		
Trade debtors	5,702,726	6,233,994
Other debtors	352,831	-
Prepayments and accrued income	241,028	246,625
Amounts owed by group undertakings	<u>3,465,363</u>	<u>-</u>
	<u>9,761,948</u>	<u>6,480,619</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>3,309,154</u>	<u>3,309,154</u>
Aggregate amounts	<u>13,071,102</u>	<u>9,789,773</u>
	2019	2018
	£	£
After five years	3,309,154	3,309,154

On 14 August 2018 World Courier (UK) Limited obtained a loan note totalling £3,300,000 from World Courier Logistics (UK) Limited. The note bears interest at 2.25% per annum. Interest is calculated based on a 365 day year.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.19	30.9.18
	£	£
Trade creditors	33,516	24,735
Amounts owed to group undertakings	24,464,556	19,269,287
Corporation tax	170,014	1,581,074
Other creditors	15,471	120,718
Accrued expenses	<u>456,344</u>	<u>443,010</u>
	<u>25,139,901</u>	<u>21,438,824</u>

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			30.9.19	30.9.18
Number:	Class:	Nominal value:	£	£
66,415	Ordinary	£1	<u>66,415</u>	<u>66,415</u>

Share capital represents the par value paid for shares in the company by its members.

WORLD COURIER LOGISTICS (UK) LTD**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 September 2019****17. RESERVES**

	Retained earnings £	Share premium £	Totals £
At 1 October 2018	5,257,900	3,084,983	8,342,883
Profit for the year	<u>1,600,533</u>	<u> </u>	<u>1,600,533</u>
At 30 September 2019	<u>6,858,433</u>	<u>3,084,983</u>	<u>9,943,416</u>

Retained earnings represent the aggregate of accumulated profits earned by the company since incorporation, less amounts distributed to shareholders.

Share premium represents the amount paid for shares by the members in excess of par value.

18. CONTINGENT LIABILITIES

The company had no contingent liabilities at 30 September 2018 or 30 September 2017.

19. CAPITAL COMMITMENTS

The directors confirm that there were no capital commitments at 30 September 2018 or 30 September 2017.

20. RELATED PARTY TRANSACTIONS

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

21. ULTIMATE PARENT UNDERTAKING

The company's immediate parent is World Courier (UK) Limited, a company incorporated in England and Wales.

The ultimate parent company and ultimate controlling party is AmerisourceBergen Corporation, a company incorporated in the United States of America.

These financial statements are available upon request from AmerisourceBergen Corporation, PO Box 959, Valley Forge, PA 19482.

The largest and smallest group of undertakings for which group accounts are drawn up is AmerisourceBergen Corporation.