

Registered number: 01599041

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## MAINA FREIGHT FORWARDERS PLC

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### ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020



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**MAINA FREIGHT FORWARDERS PLC**

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**COMPANY INFORMATION**

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<b>Directors</b>	B G Madlani M B Madlani
<b>Registered number</b>	01599041
<b>Registered office</b>	3 Brook Business Centre Cowley Mill Road Uxbridge London UB8 2FX
<b>Independent auditors</b>	Barnes Roffe LLP Chartered Accountants & Statutory Auditors 3 Brook Business Centre Cowley Mill Road Uxbridge Middlesex UB8 2FX

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## MAINA FREIGHT FORWARDERS PLC

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## MAINA FREIGHT FORWARDERS PLC

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### STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2020

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#### Introduction

The directors present their strategic report and audited financial statements for the year ended 30 June 2020.

The principal activity of the company continued to be that of freight forwarders.

#### Business review and future developments

The turnover has gone up in the year due to PPE goods being moved in a big way however the gross profit margin has decreased. The business made a profit after tax. The directors continue to monitor the customers that they work with, and their ability to pay, as well as margins and risks on freight forwarding work to enable the business to grow and become profitable.

The company aims to maintain its high quality and good value service to its customers and to invest in marketing campaigns in order to win new customers and increase market share. Through achieving these aims the company expects to achieve profits in 2020-21 and considers itself to be well placed to win new customers and achieve growth within the current market.

We aim to present a balanced and comprehensive review of the development and performance of the business during the year and its position at the end of it. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

#### Principal risks and uncertainties

The company faces the competitive and strategic risks that are inherent in freight forwarding and the board keeps future strategy under regular review. The company also has some exposure to foreign exchange rates, particularly the US dollar, and to fuel prices and applies the same policy to these areas.

#### Liquidity risk and cash flow risk

The board continually monitors the cash requirements of the company to ensure that the company has ready access to the funds that the Board deem necessary at any time during the year. The monitoring and review of future projections by the Board ensures that there are adequate cash facilities readily available from the company's finance providers to support the company's cash flow requirements.

#### Financial key performance indicators

The company monitors gross profit percentage which decreased to 33% in 2020 from 40% in 2019.

Turnover for the year has increased by 48% to £4,074,461 compared to £2,756,532 in 2019.

#### Creditor payment policy

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with the suppliers when agreeing the terms of each transaction,
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts,
- pay in accordance with the company's contractual and other legal obligations.

On an average, trade creditors at the year end represented 104 days (2019 - 83 days).

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**MAINA FREIGHT FORWARDERS PLC**

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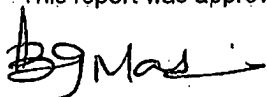
**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2020**

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This report was approved by the board on

11 / 6 / 21

and signed on its behalf.



**B G Madlani**  
Directors

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## MAINA FREIGHT FORWARDERS PLC

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### DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

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The directors present their report and the financial statements for the year ended 30 June 2020.

#### Directors' responsibilities statement

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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements 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.

#### Results and dividends

The profit for the year, after taxation, amounted to £60,133 (2019 - loss £57,137).

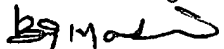
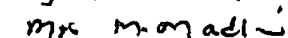
Dividends paid during the year amounted to £2,000 (2019 - £2,000).

#### Directors

The directors who served during the year were:

B G Madlani

M B Madlani

#### Strategic report

The company has chosen, in accordance with section 414C of the Companies Act 2006, to set out the following information which would otherwise be required to be contained in the director's report within the strategic report:

- (a) Business review and future developments; and
- (b) Financial risk management objective and policies.

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**MAINA FREIGHT FORWARDERS PLC**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2020**

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**Disclosure of information to auditors**

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

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

**Post balance sheet events**

At the date of approval of these accounts, the COVID-19 pandemic remains prevalent in the UK. It is not possible to accurately predict the duration or magnitude of any potential consequences as a result of the pandemic at this time.

There are no other subsequent events that require disclosure or adjustments to the financial statements.

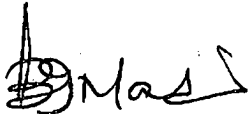
**Auditors**

The auditors, Barnes Roffe LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on

11/6/21

and signed on its behalf.



**B G Madlani**  
Directors

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## MAINA FREIGHT FORWARDERS PLC

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAINA FREIGHT FORWARDERS PLC

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#### Opinion

We have audited the financial statements of Maina Freight Forwarders PLC (the 'Company') for the year ended 30 June 2020, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of cash flows, 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 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 June 2020 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 Auditors' 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

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.



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## MAINA FREIGHT FORWARDERS PLC

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAINA FREIGHT FORWARDERS PLC (CONTINUED)

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#### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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.

#### 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 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 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 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.

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.

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## MAINA FREIGHT FORWARDERS PLC

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAINA FREIGHT FORWARDERS PLC (CONTINUED)

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#### Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 3, 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.

#### Auditors' 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 Auditors' 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

#### 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

*Barnes Roffe LLP*

Nigel Goodman (Senior statutory auditor)  
for and on behalf of  
**Barnes Roffe LLP**  
Chartered Accountants & Statutory Auditors  
3 Brook Business Centre  
Cowley Mill Road  
Uxbridge  
Middlesex  
UB8 2FX

Date: *14th June 2021*

# MAINA FREIGHT FORWARDERS PLC

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 £	2019 £
Turnover	4	4,074,461	2,756,532
Cost of sales		(2,713,763)	(1,643,794)
<b>Gross profit</b>		<b>1,360,698</b>	<b>1,112,738</b>
Administrative expenses		(1,359,936)	(1,165,705)
Other operating income	5	92,365	
<b>Operating profit/(loss)</b>	6	<b>93,127</b>	<b>(52,967)</b>
Interest payable and similar expenses	10	(9,357)	(14,093)
<b>Profit/(loss) before tax</b>		<b>83,770</b>	<b>(67,060)</b>
Tax on (profit)/loss	11	(23,637)	9,923
<b>Profit/(loss) for the financial year</b>		<b>60,133</b>	<b>(57,137)</b>
<b>Total comprehensive income for the year</b>		<b>60,133</b>	<b>(57,137)</b>

The notes on pages 13 to 29 form part of these financial statements.

**MAINA FREIGHT FORWARDERS PLC**  
**REGISTERED NUMBER: 01599041**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

	Note	£	2020 £	£	2019 £
<b>Fixed assets</b>					
Tangible assets	13		236,832		241,711
<b>Current assets</b>					
Debtors: amounts falling due after more than one year	14	470,265		-	
Debtors: amounts falling due within one year	14	538,073		944,201	
Cash at bank and in hand	15	309,667		3,212	
			<u>1,318,005</u>	<u>947,413</u>	
Creditors: amounts falling due within one year	16	(1,266,436)		(933,084)	
<b>Net current assets</b>			<u>51,569</u>		<u>14,329</u>
<b>Total assets less current liabilities</b>			<u>288,401</u>		<u>256,040</u>
Creditors: amounts falling due after more than one year	17		(144,320)		(176,692)
<b>Provisions for liabilities</b>					
Deferred tax	21		(17,900)		(11,300)
<b>Net assets</b>			<u>126,181</u>		<u>68,048</u>
<b>Capital and reserves</b>					
Called up share capital	22		50,000		50,000
Profit and loss account	23		76,181		18,048
			<u>126,181</u>		<u>68,048</u>

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

  
**B G Madlani**  
 Directors

11/6/21

The notes on pages 13 to 29 form part of these financial statements.

**MAINA FREIGHT FORWARDERS PLC**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2020**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2019	50,000	18,048	68,048
<b>Comprehensive income for the year</b>			
Profit for the year	-	60,133	60,133
<b>Total comprehensive income for the year</b>	-	60,133	60,133
Dividends: Equity capital	-	(2,000)	(2,000)
<b>At 30 June 2020</b>	<b>50,000</b>	<b>76,181</b>	<b>126,181</b>

The notes on pages 13 to 29 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2019**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2018	50,000	77,185	127,185
<b>Comprehensive income for the year</b>			
Loss for the year	-	(57,137)	(57,137)
<b>Total comprehensive income for the year</b>	-	(57,137)	(57,137)
Dividends: Equity capital	-	(2,000)	(2,000)
<b>Total transactions with owners</b>	-	(2,000)	(2,000)
<b>At 30 June 2019</b>	<b>50,000</b>	<b>18,048</b>	<b>68,048</b>

The notes on pages 13 to 29 form part of these financial statements.

**MAINA FREIGHT FORWARDERS PLC**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2020**

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	60,133	(57,137)
<b>Adjustments for:</b>		
Depreciation of tangible assets	26,880	31,938
Loss on disposal of tangible assets	497	601
Interest payable	9,357	14,093
Taxation charge	23,637	(9,923)
(Increase) in debtors	(64,943)	(151,972)
Increase in creditors	410,316	168,797
Corporation tax received/(paid)	-	(77)
<b>Net cash generated from/(used in) operating activities</b>	<b>465,877</b>	<b>(3,680)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(22,598)	(19,797)
Sale of tangible fixed assets	100	8,650
HP interest paid	(1,272)	(1,870)
<b>Net cash used in investing activities</b>	<b>(23,770)</b>	<b>(13,017)</b>
<b>Cash flows from financing activities</b>		
Repayment of loans	(27,738)	(21,672)
(Repayment of)/new finance leases	(6,627)	10,816
Dividends paid	(2,000)	(2,000)
Interest paid	(8,085)	(12,223)
<b>Net cash used in financing activities</b>	<b>(44,450)</b>	<b>(25,079)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>397,657</b>	<b>(41,776)</b>
Cash and cash equivalents at beginning of year	(87,990)	(46,214)
<b>Cash and cash equivalents at the end of year</b>	<b>309,667</b>	<b>(87,990)</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	309,667	3,212
Bank overdrafts	-	(91,202)
	<b>309,667</b>	<b>(87,990)</b>

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**MAINA FREIGHT FORWARDERS PLC**

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**ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 30 JUNE 2020**

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	At 1 July 2019 £	Cash flows £	At 30 June 2020 £
Cash at bank and in hand	3,212	306,455	309,667
Bank overdrafts	(91,202)	91,202	-
Debt due after 1 year	(164,227)	27,738	(136,489)
Debt due within 1 year	(31,372)	-	(31,372)
Finance leases	(20,011)	6,627	(13,384)
	<u>(303,600)</u>	<u>432,022</u>	<u>128,422</u>

The notes on pages 13 to 29 form part of these financial statements.

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## MAINA FREIGHT FORWARDERS PLC

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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#### 1. General information

Maina Freight Forwarders PLC is a public limited company, incorporated in England and Wales. The address of the registered office is 3 Brook Business Centre, Cowley Mill Road, Uxbridge, London, UB8 2FX.

The company specialises in freight forwarding.

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

The following principal accounting policies have been applied:

##### 2.2 Going concern

The directors have taken consideration of the impact of COVID-19 on the business and the exit of the UK from the European Union. However the directors are mindful that conditions in the market are uncertain and at the date of this report, it is not possible to reliably determine the effects that these events will have on the company in the future. Nevertheless, the directors note that the company is trading adequately and if this continues, they will have sufficient working capital and other finance available to continue for a period of not less than 12 months from the Statement of financial position date. As such the directors believe that there are no significant uncertainties in their assessment of whether the business is a going concern and therefore have prepared the accounts on a going concern basis.



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## MAINA FREIGHT FORWARDERS PLC

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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#### 2. Accounting policies (continued)

##### 2.3 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:

##### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Turnover is recognised on the date the services are provided to the customers, being the delivery of goods to the transporters.

##### 2.4 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 bases:

Freehold property	- 2.5% straight line
Plant and machinery	- 10% reducing balance
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 10% reducing balance
Office equipment	- 10% reducing balance

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 Statement of comprehensive income.

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## MAINA FREIGHT FORWARDERS PLC

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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#### 2. Accounting policies (continued)

##### 2.5 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.

##### 2.6 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. 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.

In the 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 Company's cash management.

##### 2.7 Leased assets: the Company as lessee

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 profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### 2.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to and from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at 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 debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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## MAINA FREIGHT FORWARDERS PLC

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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#### 2. Accounting policies (continued)

##### 2.8 Financial instruments (continued)

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 of the recoverable amount, which is an approximation of the amount that the Company 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.

##### 2.9 Creditors

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.

##### 2.10 Foreign currency translation

###### Functional and presentation currency

The Company's functional and presentational currency is GBP.

###### 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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

##### 2.11 Finance costs

Finance costs are charged to profit or loss 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. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

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## MAINA FREIGHT FORWARDERS PLC

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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#### 2. Accounting policies (continued)

##### 2.12 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.

##### 2.13 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

##### 2.14 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

##### 2.15 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

##### 2.16 Pensions

###### Defined contribution pension plan

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 Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

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## MAINA FREIGHT FORWARDERS PLC

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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#### 2. Accounting policies (continued)

##### 2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 operates and generates 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

The directors do not believe any of the accounting policy judgements have a significant impact on the results. In addition there are no significant sources of estimation uncertainty.

#### 4. Turnover

75% (2019 - 75%) of the company's turnover arose within the United Kingdom.

The company analyses the turnover into air freight 85.4% (2019 - 72.5%), sea freight 11.8% (2019 - 23.3%) and other 2.8% (2019 - 4.2%).

#### 5. Other operating income

	2020 £	2019 £
Furlough income	92,365	-
	<u>92,365</u>	<u>-</u>

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**MAINA FREIGHT FORWARDERS PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

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**6. Operating profit/(loss)**

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

	2020 £	2019 £
Depreciation of tangible fixed assets on owned assets	20,905	26,096
Depreciation of tangible fixed assets held under finance leases	5,975	5,843
Other operating lease rentals	74,400	73,400
Exchange differences	(4,107)	1,428
Loss on sale of tangible fixed assets	497	601
	<u>          </u>	<u>          </u>

**7. Employees**

Staff costs, including director's remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	523,966	548,797
Social security costs	42,385	47,999
Staff pension costs	23,252	18,912
	<u>589,603</u>	<u>615,708</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Directors	2	2
Operational staff	22	24
	<u>24</u>	<u>26</u>

**8. Auditors' remuneration**

	2020 £	2019 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	<u>8,000</u>	<u>8,715</u>

**MAINA FREIGHT FORWARDERS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**9. Directors' remuneration**

	2020 £	2019 £
Directors' emoluments	44,012	63,778
	<u>44,012</u>	<u>63,778</u>

**10. Interest payable and similar charges**

	2020 £	2019 £
Bank overdraft interest payable	8,085	12,223
Finance leases and hire purchase contracts	1,272	1,870
	<u>9,357</u>	<u>14,093</u>

**11. Taxation**

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	16,231	-
Adjustments in respect of previous periods	806	77
<b>Total current tax</b>	<u>17,037</u>	<u>77</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	6,600	(10,000)
<b>Total deferred tax</b>	<u>6,600</u>	<u>(10,000)</u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<u>23,637</u>	<u>(9,923)</u>

# MAINA FREIGHT FORWARDERS PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 11. Taxation (continued)

#### Factors affecting tax charge/(credit) for the year

The tax assessed for the year is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit/(loss) on ordinary activities before tax	83,770	(67,060)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	15,916	(12,741)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,208	1,283
Decelerated capital allowances for year	2,605	2,047
(Decrease)/increase in unpaid pension fund leading to increase/(decrease) in tax	-	(90)
Deferred tax	6,600	10,000
Overprovision	806	77
Origination and reversal of timing differences	43	(1,112)
Unrelieved tax losses carried forward	-	(9,387)
Utilisation of losses	(4,541)	-
<b>Total tax charge/(credit) for the year</b>	<b>23,637</b>	<b>(9,923)</b>

#### Factors that may affect future tax charges

There were no factors that may affect future tax charges other than the carried forward tax losses.

### 12. Dividends

	2020 £	2019 £
Dividends paid	2,000	2,000
	<b>2,000</b>	<b>2,000</b>

The directors had an interest in dividends of £2,000 (2019 - £2,000).



MAINA FREIGHT FORWARDERS PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

13. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £
<b>Cost</b>					
At 1 July 2019	300,696	21,266	117,637	195,125	110,286
Additions	8,700	2,309	-	-	11,589
Disposals	-	-	(10,600)	-	-
At 30 June 2020	309,396	23,575	107,037	195,125	121,875
<b>Depreciation</b>					
At 1 July 2019	191,770	16,571	87,280	156,320	51,358
Charge for the year on owned assets	7,735	701	1,536	3,881	7,052
Charge for the year on financed assets	-	-	5,975	-	-
Disposals	-	-	(10,003)	-	-
At 30 June 2020	199,505	17,272	84,788	160,201	58,410
<b>Net book value</b>					
At 30 June 2020	109,891	6,303	22,249	34,924	63,465
At 30 June 2019	108,926	4,695	30,357	38,805	58,928

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MAINA-FREIGHT FORWARDERS PLC

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

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13. Tangible fixed assets (continued)

	Total £
<b>Cost</b>	
At 1 July 2019	745,010
Additions	22,598
Disposals	(10,600)
At 30 June 2020	<u>757,008</u>
<b>Depreciation</b>	
At 1 July 2019	503,299
Charge for the year on owned assets	20,905
Charge for the year on financed assets	5,975
Disposals	(10,003)
At 30 June 2020	<u>520,176</u>
<b>Net book value</b>	
At 30 June 2020	<u>236,832</u>
At 30 June 2019	<u>241,711</u>

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**MAINA FREIGHT FORWARDERS PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

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**13. Tangible fixed assets (continued)**

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Motor vehicles	13,677	19,653
	<u>13,677</u>	<u>19,653</u>

**14. Debtors**

	2020 £	2019 £
<b>Due after more than one year</b>		
Trade debtors	470,265	-
	<u>470,265</u>	<u>-</u>

	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	492,226	868,991
Other debtors	35,217	25,089
Prepayments and accrued income	10,630	50,121
	<u>538,073</u>	<u>944,201</u>

**15. Cash and cash equivalents**

	2020 £	2019 £
Cash at bank and in hand	309,667	3,212
Less: bank overdrafts	-	(91,202)
	<u>309,667</u>	<u>(87,990)</u>

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MAINA FREIGHT FORWARDERS PLC

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

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16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	-	91,202
Bank loans	31,372	31,372
Trade creditors	890,618	756,577
Corporation tax	16,231	-
Other taxation and social security	47,885	12,164
Obligations under finance lease and hire purchase contracts	5,553	7,546
Other creditors	188,475	21,392
Accruals and deferred income	86,302	12,831
	<u>1,266,436</u>	<u>933,084</u>

The hire purchase liability is secured on the assets to which they relate. The bank loans and overdrafts are secured by a fixed charge on the property and a floating charge on the assets of the company.

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

	2020 £	2019 £
Bank loans	136,489	164,227
Net obligations under finance leases and hire purchase contracts	7,831	12,465
	<u>144,320</u>	<u>176,692</u>

The hire purchase liability is secured on the assets to which they relate. The bank loans and overdrafts are secured by a fixed charge on the property and a floating charge on the assets of the company.

**MAINA FREIGHT FORWARDERS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**18. Loans**

Analysis of the maturity of loans is given below:

	2020 £	2019 £
<b>Amounts falling due within one year</b>		
Bank loans	31,372	31,372
	<u>31,372</u>	<u>31,372</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	31,373	31,373
	<u>31,373</u>	<u>31,373</u>
<b>Amounts falling due 2-5 years</b>		
Bank loans	94,117	94,117
	<u>94,117</u>	<u>94,117</u>
<b>Amounts falling due after more than 5 years</b>		
Bank loans	10,999	38,737
	<u>10,999</u>	<u>38,737</u>
	<u>167,861</u>	<u>195,599</u>

**19. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	5,553	7,546
Between 1-5 years	7,831	12,465
	<u>13,384</u>	<u>20,011</u>

**MAINA FREIGHT FORWARDERS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**20. Financial instruments**

	2020 £	2019 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>997,708</u>	<u>894,080</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>1,260,338</u>	<u>1,089,931</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise bank overdrafts, bank loans, trade creditors, hire purchase and other creditors.

**21. Deferred taxation**

	2020 £	2019 £
At beginning of year	11,300	21,300
Charged/(credited) to Statement of comprehensive income	6,600	(10,000)
<b>At end of year</b>	<u>17,900</u>	<u>11,300</u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	22,700	19,600
Tax losses carried forward	<u>(4,800)</u>	<u>(8,300)</u>

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## MAINA FREIGHT FORWARDERS PLC

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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#### 22. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

#### 23. Reserves

##### Profit and loss account

The profit and loss account includes all current and prior year retained profits and losses.

#### 24. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £23,252 (2019 - £18,912). Contributions totalling £1,745 (2019 - £2,341) were payable to the fund at the reporting date.

#### 25. Commitments under operating leases

At 30 June 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
<b>Land and buildings</b>		
Not later than 1 year	-	4,800
	<u>-</u>	<u>4,800</u>

#### 26. Related party transactions

Maina Couriers Limited, Maina Imports Limited and VSN Properties Limited are companies which are controlled by the sons of the director, B G Madlani. Maina Global Trading FZC is a company registered in Dubai and is controlled by the daughter of the director, B G Madlani. The transactions and balances with these companies are as follows:

## MAINA FREIGHT FORWARDERS PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 £	2019 £
Maina Couriers - Balance	470,265	298,811
Maina Couriers - Sales	328,125	253,657
Maina Couriers - Purchases	(78,715)	-
Maina Imports - Balance	(244,204)	(198,947)
Maina Imports - Sales	258,282	448,468
Maina Imports - Purchases	(249,990)	(379,266)
VSN Properties Limited - Balance	10,080	20,080
VSN Properties Limited - Sales	16,800	33,800
Maina Global Trading - Balance	(21,255)	28,206
Maina Global Trading - Sales	2,502	2,701
Maina Global Trading - Purchases	(24,523)	(1,087)
	<u>467,367</u>	<u>506,423</u>

The company was charged rent of £74,400 (2019 - £73,400) by related parties. £12,000 (2019 - £11,000) by the sons of the directors and £62,400 (2019 - £62,400) by the directors. The directors have an amount due to them on their directors' loan account of £186,730 (2019 - £2,689). The directors loan has no interest charged and no set repayment terms. During the year, the company has made total sales of £1,527 (2019 - £10,145) and purchases of £17,167 (2019 - £11,000) from the sons of the directors. Included in trade debtors is an amount of £9,844 (2019 - £44,364) owed by the sons of the directors.

Included in other creditors is an amount of £Nil (2019 - £15,000) due to a staff member.

Only the directors are considered to be key management and therefore the total compensation is as disclosed in note 9.

#### 27. Controlling party

The ultimate controlling party is the director B G Madlani.