
MAINA FREIGHT FORWARDERS PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023



MAINA FREIGHT FORWARDERS PLC

COMPANY INFORMATION

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

MAINA FREIGHT FORWARDERS PLC

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MAINA FREIGHT FORWARDERS PLC

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2023

Introduction

The directors present their strategic report and audited financial statements for the year ended 30 June 2023.

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

Business review and future developments

The trade in the year has seen the company's turnover increase to £5.0m (2022 - £4.5m), an increase of 11.7%. With the cost of living crisis and increasing costs have meant, that existing and potential customers have experienced more challenging financial times, however the company is successfully navigating this with the strong customer service it provides while freight is a necessity for any business selling goods.

The company has made a profit after tax of £16,898 (2022 - £208,366 loss). The company continues to carefully manage its own cost base and improve operating efficiencies to remain cost-effective in an increasingly competitive environment.

Recruitment and retention of LGV drivers remain problematic and creates additional cost. The company increased pay in response to competition for drivers and the directors continue to seek to provide a work environment that ensures staff retention in, and commitment to, the business.

The company is at risk of credit customers delaying the payment of debts, which the management plans to mitigate with strong, on-going customer relationships; and deferred terms are only granted to customers who demonstrate appropriate payment history and satisfy our credit-worthiness assessment.

The directors are satisfied with the performance of the company but feels it has the capability to achieve further growth in the coming years leveraging on new marketing campaigns to help win new business and drive market share.

Principal risks and uncertainties

The company faces the competitive and strategic risks that are inherent in freight forwarding such as loss and damage to cargo or delays, 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.

MAINA FREIGHT FORWARDERS PLC

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Financial key performance indicators

The company monitors gross profit percentage which decreased to 31.1% in 2023 from 31.8% in 2022.

Turnover for the year has increased by 11.7% to £5,009,171 compared to £4,485,481 in 2022.

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 42 (2022 - 66 days) .

Directors' statement of compliance with duty to promote the success of the Company

The directors of the company consider that they have acted in good faith in ways that would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- The directors have considered the reputation of the company with customers, employees and suppliers in their every day decision making.
- The directors have taken into account the financial returns of future projects and the best interests of the company when making strategic decisions.

The directors carefully consider the consequences of all projects, ensuring they are fully planned and costed, taking account of the potential financial returns as well as the wider impacts on the business and the environment. The company's operations continually strive for the minimum environmental impact.

Statement of carbon emissions in compliance with Streamlined Energy and Carbon Reporting ("SECR")

The company is exempt from reporting on its carbon emissions in accordance with section 7A of the Companies Act 2006.

This report was approved by the board on 15.01.2024 and signed on its behalf.



B G Madlani
Director

MAINA FREIGHT FORWARDERS PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2023

The directors present their report and the financial statements for the year ended 30 June 2023.

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 £16,898 (2022 - loss £208,366).

Dividends paid during the year amounted to £2,000 (2022 - £2,000).

Directors

The directors who served during the year were:

B G Madlani
M B Madlani

MAINA FREIGHT FORWARDERS PLC

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Engagement with suppliers, customers and others

The directors have taken account of the interests of its customers, suppliers and other stakeholders through maintaining regular direct contact with them and keeping its website up to date with relevant information.

The company's policy is to consult on and discuss with employees matters likely to affect their interests. As the workforce is relatively contained, the directors are able to engage directly with employees through face-to-face discussion as well as through information published on noticeboards and delivered directly to individuals.

This approach seeks to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Matters covered in the 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.

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 director is aware, there is no relevant audit information of which the Company's auditors are 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 auditors are aware of that information.


Post balance sheet events

There are no 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 489 of the Companies Act 2006.

This report was approved by the board on 15.01.2024 and signed on its behalf.



B G Madlani
Director

MAINA FREIGHT FORWARDERS PLC

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

Opinion

We have audited the financial statements of Maina Freight Forwarders PLC (the 'Company') for the year ended 30 June 2023, 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 2023 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

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.

MAINA FREIGHT FORWARDERS PLC

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

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.

MAINA FREIGHT FORWARDERS PLC

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

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.

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 approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with law and regulations, was as follows:

- The engagement partner 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 discussion with directors and other management, and from our commercial knowledge and experience of the relevant sector;
- The specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, are as follows:
 - i) Companies Act 2006.
 - ii) FRS 102.
 - iii) Tax legislation.
 - iv) Employment legislation.
 - v) Health and safety.
 - vi) IATA
 - vii) BIFA
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and reviewing supporting evidence where applicable; and
- Laws and regulations were communicated within the audit team at the planning meeting, and during the audit as any further laws and regulation were identified. The audit team remained alert to instances of non-compliance throughout the audit.

MAINA FREIGHT FORWARDERS PLC

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

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 consider there was susceptibility to fraud and their knowledge of actual suspected and alleged fraud;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;
- Reviewing the financial statements and testing the disclosures against supporting documentation;
- Performing analytical procedures to identify any unusual or unexpected trends or anomalies;
- Inspecting and testing journal entries to identify unusual or unexpected transactions;
- Assessing whether judgement and assumptions made in determining significant accounting estimates, were indicative of management bias; and
- Investigating the rationale behind significant transactions, or transactions that are unusual or outside the company's usual course of business.

The areas that we identified as being susceptible to misstatement through fraud were:

- Management bias in the estimates and judgements made;
- Management override of controls; and
- Posting of unusual journals or transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' report.

MAINA FREIGHT FORWARDERS PLC

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

16th January 2024

MAINA FREIGHT FORWARDERS PLC

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 £	2022 £
Turnover	4	5,009,171	4,485,481
Cost of sales		(3,449,634)	(3,060,425)
Gross profit		1,559,537	1,425,056
Administrative expenses		(1,524,155)	(1,615,529)
Other operating income	5	-	14,242
Operating profit/(loss)	6	35,382	(176,231)
Interest payable and similar expenses	10	(9,439)	(5,354)
Profit/(loss) before tax		25,943	(181,585)
Tax on profit/(loss)	11	(9,045)	(26,781)
Profit/(loss) for the financial year		16,898	(208,366)
Total comprehensive income for the year		16,898	(208,366)

The notes on pages 16 to 30 form part of these financial statements.

MAINA FREIGHT FORWARDERS PLC
REGISTERED NUMBER: 01599041

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	£	2023 £	£	2022 £
Fixed assets					
Tangible assets	13		293,079		229,304
Investments	14		-		-
			<u>293,079</u>		<u>229,304</u>
Current assets					
Debtors: amounts falling due within one year	15	961,713		785,145	
Cash at bank and in hand	16	40,688		136,477	
			<u>1,002,401</u>	<u>921,622</u>	
Creditors: amounts falling due within one year	17	(1,024,043)		(906,695)	
Net current (liabilities)/assets			<u>(21,642)</u>		<u>14,927</u>
Total assets less current liabilities			<u>271,437</u>		<u>244,231</u>
Creditors: amounts falling due after more than one year	18		(31,802)		(14,694)
Provisions for liabilities					
Deferred tax	21		(30,000)		(34,800)
Net assets			<u>209,635</u>		<u>194,737</u>
Capital and reserves					
Called up share capital	22		50,000		50,000
Profit and loss account	23		159,635		144,737
			<u>209,635</u>		<u>194,737</u>

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

15.01.2024



B G Madlani
Director

The notes on pages 16 to 30 form part of these financial statements.

MAINA FREIGHT FORWARDERS PLC

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2022	50,000	144,737	194,737
Comprehensive income for the year			
Profit for the year	-	16,898	16,898
Total comprehensive income for the year	-	16,898	16,898
Contributions by and distributions to owners			
Dividends: Equity capital	-	(2,000)	(2,000)
Total transactions with owners	-	(2,000)	(2,000)
At 30 June 2023	50,000	159,635	209,635

The notes on pages 16 to 30 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2021	50,000	355,103	405,103
Comprehensive income for the year			
Loss for the year	-	(208,366)	(208,366)
Total comprehensive income for the year	-	(208,366)	(208,366)
Dividends: Equity capital	-	(2,000)	(2,000)
Total transactions with owners	-	(2,000)	(2,000)
At 30 June 2022	50,000	144,737	194,737

The notes on pages 16 to 30 form part of these financial statements.

MAINA FREIGHT FORWARDERS PLC

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023 £	2022 £
Cash flows from operating activities		
Profit/(loss) for the financial year	16,898	(208,366)
Adjustments for:		
Depreciation of tangible assets	45,529	29,420
Profit/(loss) on disposal of tangible assets	2,596	(7,598)
Interest payable	9,439	5,354
Taxation charge	9,045	26,781
(Increase)/decrease in debtors	(161,176)	455,363
(Increase)/decrease in amounts owed by groups	(15,392)	-
(Decrease) in creditors	(30,346)	(318,474)
Increase in amounts owed to groups	70,955	-
Corporation tax paid	(74,726)	(38,456)
Net cash used in operating activities	<u>(127,178)</u>	<u>(55,976)</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(111,900)	(50,954)
Sale of tangible fixed assets	-	15,000
Interest paid on hire purchase contracts	(4,555)	(1,297)
Net cash used in investing activities	<u>(116,455)</u>	<u>(37,251)</u>

MAINA FREIGHT FORWARDERS PLC

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

	2023 £	2022 £
Cash flows from financing activities		
Repayment of loans	-	(147,455)
New finance leases net of repayments	29,723	20,534
Dividends paid	(2,000)	(2,000)
Interest paid	(4,884)	(4,057)
Net cash generated from/(used in) financing activities	22,839	(132,978)
Net (decrease) in cash and cash equivalents	(220,794)	(226,205)
Cash and cash equivalents at beginning of year	136,477	362,682
Cash and cash equivalents at the end of year	(84,317)	136,477
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	40,688	136,477
Bank overdrafts	(125,005)	-
	(84,317)	136,477

The notes on pages 16 to 30 form part of these financial statements.

MAINA FREIGHT FORWARDERS PLC

ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 JUNE 2023

	At 1 July 2022 £	Cash flows £	New finance leases £	At 30 June 2023 £
Cash at bank and in hand	136,477	(95,789)	-	40,688
Bank overdrafts	-	(125,005)	-	(125,005)
Debt due within 1 year	(70,682)	(1,658)	-	(72,340)
Finance leases	(28,826)	14,978	(44,701)	(58,549)
	<u>36,969</u>	<u>(207,474)</u>	<u>(44,701)</u>	<u>(215,206)</u>

The notes on pages 16 to 30 form part of these financial statements.

MAINA FREIGHT FORWARDERS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 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.

2.3 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.

MAINA FREIGHT FORWARDERS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

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.

2.4 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.

2.5 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.

2.6 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 the Statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.7 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.

MAINA FREIGHT FORWARDERS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.7 Financial instruments (continued)

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.

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.

2.8 Exemption from preparing consolidated financial statements

The Company is the parent undertaking of a small group and, despite being a PLC, is not required by s399 of the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

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 Going concern

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 date when the financial statements are authorised for issue. 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.

MAINA FREIGHT FORWARDERS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.11 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 the Statement of comprehensive income 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 the Statement of comprehensive income within 'other operating income'.

2.12 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 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.

2.14 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.

MAINA FREIGHT FORWARDERS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.15 Operating leases: the Company as lessee

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

2.16 Borrowing costs

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

2.17 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.

2.18 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 reporting 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.

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

2.19 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

MAINA FREIGHT FORWARDERS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

Critical judgements in applying the company's accounting policies

The critical judgements that the directors have made in the process of applying the company's accounting policies that have the most significant effect on the amounts recognised in the financial statements are discussed below.

(i) Assessing indicators of impairment

In assessing whether there have been any indicators of impairment assets, the directors have considered both external and internal sources of information such as market conditions and experience of recoverability.

(ii) Recoverability of debtors

The directors establish a provision for debtors that are estimated not to be recoverable. When assessing recoverability the directors consider factors such as the aging of debtors, past experience of recoverability, and the credit profile of individual or groups of customers.

4. Turnover

80% (2022 - 70%) of the company's turnover arose within the United Kingdom.

The company analyses the turnover into air freight 79.1% (2022 - 86.1%), sea freight 19.4% (2022 - 12.4%) and other 1.5% (2022 - 1.5%).

5. Other operating income

	2023 £	2022 £
Government grants receivable	-	14,242
	<u>-</u>	<u>14,242</u>

6. Operating profit/(loss)

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

	2023 £	2022 £
Depreciation of tangible fixed assets on owned assets	24,183	19,180
Depreciation of tangible fixed assets held under finance leases	21,346	10,240
Exchange differences	(29,607)	15,147
Other operating lease rentals	79,400	74,400
Loss/(profit) on sale of tangible fixed asset	2,596	(7,598)
	<u>2,596</u>	<u>(7,598)</u>

MAINA FREIGHT FORWARDERS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

7. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors:

	2023 £	2022 £
Fees payable to the Company's auditors for the audit of the Company's financial statements	<u>9,000</u>	<u>8,700</u>

8. Employees

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

	2023 £	2022 £
Wages and salaries	732,189	658,804
Social security costs	64,218	56,127
Cost of defined contribution scheme	30,081	29,536
	<u>826,488</u>	<u>744,467</u>

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

	2023 No.	2022 No.
Directors	2	2
Operational staff	26	25
	<u>28</u>	<u>27</u>

9. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	51,157	44,745
	<u>51,157</u>	<u>44,745</u>

MAINA FREIGHT FORWARDERS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

10. Interest payable and similar expenses

	2023 £	2022 £
Bank interest payable	3,162	4,057
Finance leases and hire purchase contracts	4,555	1,297
Interest on overdue tax	1,722	-
	<u>9,439</u>	<u>5,354</u>

11. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	25,625	12,081
Adjustments in respect of previous periods	(11,780)	-
	<u>13,845</u>	<u>12,081</u>
Total current tax	<u>13,845</u>	<u>12,081</u>
Deferred tax		
Origination and reversal of timing differences	(4,800)	14,700
Total deferred tax	<u>(4,800)</u>	<u>14,700</u>
Tax on profit/(loss)	<u>9,045</u>	<u>26,781</u>

MAINA FREIGHT FORWARDERS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - *higher than*) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit/(loss) on ordinary activities before tax	<u>25,943</u>	<u>(181,585)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	4,929	(34,501)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	16,062	47,052
Accelerated capital allowances	2,067	(2,975)
Deferred tax	(4,800)	14,700
Origination and reversal of timing differences	721	2,505
Adjustments to tax charge in respect of prior periods	(11,780)	-
Difference in tax rates	1,846	-
Total tax charge for the year	<u>9,045</u>	<u>26,781</u>

Factors that may affect future tax charges

In the March 2021 Budget it was announced that the UK corporation tax rate would increase to 25% from 1 April 2023 for profits over £250,000. There are no other significant factors that may affect future tax charges.

12. Dividends

	2023 £	2022 £
Dividends paid	2,000	2,000
	<u>2,000</u>	<u>2,000</u>

The directors had interest in dividends of £2,000 (2022 - £2,000).

MAINA FREIGHT FORWARDERS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

13. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost						
At 1 July 2022	309,396	23,575	113,442	195,324	126,219	767,956
Additions	-	-	98,000	300	13,600	111,900
Disposals	-	-	(26,445)	-	-	(26,445)
At 30 June 2023	309,396	23,575	184,997	195,624	139,819	853,411
Depreciation						
At 1 July 2022	214,975	18,469	67,239	166,856	71,113	538,652
Charge for the year on owned assets	7,735	511	6,189	2,877	6,871	24,183
Charge for the year on financed assets	-	-	21,346	-	-	21,346
Disposals	-	-	(23,849)	-	-	(23,849)
At 30 June 2023	222,710	18,980	70,925	169,733	77,984	560,332
Net book value						
At 30 June 2023	86,686	4,595	114,072	25,891	61,835	293,079
At 30 June 2022	94,421	5,106	46,203	28,468	55,106	229,304

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

	2023 £	2022 £
Motor vehicles	96,705	21,446
	96,705	21,446

MAINA FREIGHT FORWARDERS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

14. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 July 2022	55,000
At 30 June 2023	<u>55,000</u>
Impairment	
At 1 July 2022	55,000
At 30 June 2023	<u>55,000</u>
Net book value	
At 30 June 2023	<u>-</u>
At 30 June 2022	<u>-</u>

The subsidiary undertaking is Maina Couriers Limited. Their registered office is 3 Brook Business Centre, Cowley Mill Road, Uxbridge, Middlesex, England, UB8 2FX.

Maina Freight Forwarders Plc owns 100% of the Ordinary share capital of Maina Couriers Limited.

The aggregate of the share capital and reserves at 30 June 2022 and the draft profit or loss for the period ended on that date for the subsidiary undertaking were £69,979 and £219,555 respectively. The company is in wind down and the results and net assets are not material.

15. Debtors

	2023 £	2022 £
Trade debtors	861,111	714,286
Amounts owed by group undertakings	15,392	-
Other debtors	36,599	34,863
Prepayments and accrued income	48,611	35,996
	<u>961,713</u>	<u>785,145</u>

MAINA FREIGHT FORWARDERS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

16. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	40,688	136,477
Less: bank overdrafts	(125,005)	-
	<u>(84,317)</u>	<u>136,477</u>

17. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank overdrafts	125,005	-
Trade creditors	427,401	523,372
Amounts owed to related undertaking	70,955	-
Corporation tax	25,625	86,506
Other taxation and social security	17,035	16,301
Obligations under finance lease and hire purchase contracts	26,747	14,132
Other creditors	78,266	73,113
Accruals and deferred income	253,009	193,271
	<u>1,024,043</u>	<u>906,695</u>

At the year end the bank held a fixed and floating charge over the assets of the company. On 17 August 2023 this charge was satisfied.

The hire purchase liability is secured on the assets to which they relate.

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

	2023 £	2022 £
Net obligations under finance leases and hire purchase contracts	31,802	14,694
	<u>31,802</u>	<u>14,694</u>

The hire purchase liability is secured on the assets to which they relate.

MAINA FREIGHT FORWARDERS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2023 £	2022 £
Within one year	26,747	14,132
Between 1-5 years	31,802	14,694
	<u>58,549</u>	<u>28,826</u>

20. Financial instruments

	2023 £	2022 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>913,102</u>	<u>749,149</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>760,176</u>	<u>625,311</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, hire purchase, amounts owed to related undertaking and other creditors.

21. Deferred taxation

	2023 £
At beginning of year	34,800
Charged to Statement of comprehensive income	(4,800)
At end of year	<u>30,000</u>

MAINA FREIGHT FORWARDERS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

21. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	30,500	35,000
Pension liability	(500)	(200)
	<u>30,000</u>	<u>34,800</u>

22. Share capital

	2023 £	2022 £
Allotted, called up and fully paid 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 £30,081 (2022 - £29,536). Contributions totalling £5,777 (2022 - £2,431) were payable to the fund at the reporting date.

MAINA FREIGHT FORWARDERS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

25. Related party transactions

The company has taken advantage allowed by Financial Reporting Standard 102 not to disclose any transactions with wholly owned members of the group.

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:

	2023 £	2022 £
Maina Imports - Balance	(70,955)	(234,625)
Maina Imports - Sales	404,626	221,846
Maina Imports - Purchases	-	(221,350)
VSN Properties Limited - Balance	63,511	36,015
VSN Properties Limited - Sales	24,413	24,413
Maina Global Trading - Balance	(7,070)	(11,299)
Maina Global Trading - Sales	12,996	980
Maina Global Trading - Purchases	(10,493)	(1,280)

The company was charged rent of £79,400 (2022 - £74,400) by related parties comprising £17,000 (2022 - £12,000) by the sons of the directors and £62,400 (2022 - £62,400) by the directors. The directors received advances of £295,531 (2022 - £333,666) and made repayments of £295,188 (2022 - £447,929). They have an amount due to them on their directors' loan account of £72,340 (2022 - £70,682). The directors' loan has no interest charged and no set repayment terms. During the year, the company has made total sales of £13,950 (2022 - £13,950) and purchases of £18,329 (2022 - £13,000) from the sons of the directors. Included in trade debtors is an amount of £40,036 (2022 - £24,624) owed by the sons of the directors.

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

26. Controlling party

The ultimate controlling party is the director B G Madlani.

The company is the parent undertaking of a small group and, despite being a PLC, is not required by s399 of the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.