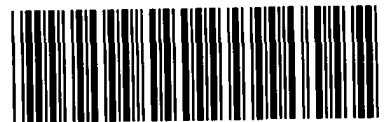


Goldline (UK) Limited
Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31 December 2019

Kilby Fox
Statutory Auditor
4 Pavilion Court
600 Pavilion Drive
Northampton Business Park
Northampton
Northamptonshire
NN4 7SL

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COMPANIES HOUSE

Goldline (UK) Limited

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for the Year Ended 31 December 2019

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Goldline (UK) Limited
Company Information
for the Year Ended 31 December 2019

DIRECTORS:

P Higham
W Kellingray

REGISTERED OFFICE:

23 Lamport Close
Kettering Park Way
Kettering
Northamptonshire
NN15 6XY

REGISTERED NUMBER:

02645067 (England and Wales)

AUDITORS:

Kilby Fox
Statutory Auditor
4 Pavilion Court
600 Pavilion Drive
Northampton Business Park
Northampton
Northamptonshire
NN4 7SL

Goldline (UK) Limited
Group Strategic Report
for the Year Ended 31 December 2019

The directors present their strategic report of the company and the group for the year ended 31 December 2019.

REVIEW OF BUSINESS

It is evident that due to the lack of confidence in consumer spending habits in the retail industry in 2019, retailers have been very cautious in their buying patterns. This has had a direct impact on the reduced turnover of the company in 2019 when compared to previous years. Although turnover reduced by approximately 5% we were still able to maintain our gross margin.

Coupled with the lack of confidence, Brexit and a weakening sterling, which are contributing factors to the reduced turnover levels, has had a direct impact on profitability although overheads were reduced by approximately 8%.

A further major impact on the 2019 results was the loss of Mothercare, a key customer, placed under Administration in November 2019. The debt due to the company by Mothercare was in excess of £1.261m.

From a trading point of view and taking Brexit, general retail uncertainty and the loss incurred due to Mothercare into consideration, the business has performed satisfactorily in 2019.

Following an internal strategic review much of 2019 was spent streamlining the business to reduce overheads to ensure 2020 was approached from a new base. This was successful and resulted in reduction in overheads and processes.

PRINCIPAL RISKS AND UNCERTAINTIES

There continues to be several retailers under financial duress, and we continue to monitor this to ensure that Goldline's exposure is limited. This is very much a balancing act as customers are expecting support during these times, and with a reducing pool of customers it is difficult to totally withdraw orders and support from those that we trade with regularly (steps are taken to limit our financial exposure and mitigate risk).

The uncertainty surrounding Brexit is no doubt having an effect on the business, the largest being the weak sterling and the lack of clarity of import duties when we finally leave Europe in December 2020. There is no doubt that retailers are extremely cautious on order placing until such time as these matters are clarified.

Covid-19 has affected not only our customer base but also our supply base, impairing the financial liquidity of the factories in China and India. Although China appears to have Covid-19 temporarily under control there still remains significant uncertainty as to the future.

India has seen a large rise in cases throughout the country and could possibly again impose lockdown restrictions

Goldline (UK) Limited
Group Strategic Report
for the Year Ended 31 December 2019

FUTURE PERFORMANCE

The effects of Covid-19 will have a significant impact, firstly on our supply base whilst China was in lockdown and more latterly with our retail partners when the UK went into lockdown as the consumer was unable to shop or browse in stores.

Although nationwide lockdown restrictions have been lifted the high street retailer's footfall has declined significantly.

There is still much uncertainty regarding regional or national lockdowns. A second wave is having a major effect on consumer confidence, resulting in a substantial loss of sales and consequently a major negative effect on the liquidity of the traditional 'high street' retailers.

These uncertainties necessitated drastic action to re-align the business in line with the current economic climate. Overheads and staff reductions have been affected to meet these objectives. We are of the opinion that the decisions taken will meet our objectives in ensuring business survival in 2020 and to take the business forward in 2021.

The senior management team continue to explore opportunities to expand out customer base both in and outside of the UK and have also have completed an extensive evaluation of our sources and investigated new sources in alternative counties to ensure that we still able to offer the most competitive and value for money products in the market place. This has been somewhat restricted in the past few months due to worldwide travel restrictions.

Of course, there are still many hurdles in the marketplace, not least uncertainty around the financial viability of many UK high street retailers.

We have forged strong relationships with the 4 main UK based supermarkets who have seen strong trading performances during the lockdown period and unlike the high street have been less effected by consumer confidence.

As a result of Covid-19, 2020 will also be a challenging year as retailers work through existing stock and financial restrictions/limitations which has resulted in slower than usual forward orders.

FINANCIAL PERFORMANCE

During 2019 we have succeeded in maintaining our margins although at reduced turnover levels. The business has been restructured to ensure achievement of lower overheads. Unfortunately, our financial reserves have been impaired as a direct result of the loss on Mothercare which was totally out of our control.

Indicators within the retail sector suggest that consumer confidence, spending habits and discounting and the uncertainty within our industry will continue into 2020 and possibly into 2021

As a business we continue to take steps to reduce our risk and reliance on one or two main customers.

ON BEHALF OF THE BOARD:



.....
P Higham - Director

Date:

7/10/20

Goldline (UK) Limited

Report of the Directors
for the Year Ended 31 December 2019

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2019.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2019.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

P Higham
W Kellingray

Other changes in directors holding office are as follows:

M Bodsworth ceased to be a director after 31 December 2019 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

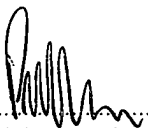
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Kilby Fox, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
P Higham - Director

Date:

7/10/20

Report of the Independent Auditors to the Members of
Goldline (UK) Limited

Opinion

We have audited the financial statements of Goldline (UK) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2019 and of the group's loss 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group'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.

Emphasis of matter

We draw attention to disclosure note 2 accounting policies 'Going concern' regarding the bad debt reported in the year of £1,189,445 in respect of Mothercare UK Limited. Mothercare UK Limited went into administration November 2019 and it is unlikely any of the amount they owed to Goldline (UK) Limited will be recovered. This bad debt significantly contributed to the loss incurred in the financial year and the resultant balance sheet position of the company. Current trade is in line with expectations and the company has the financial support of shareholders, a government Covid-19 loan and the bank to continue operating. Our opinion is not modified in respect of this.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

Report of the Independent Auditors to the Members of
Goldline (UK) Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

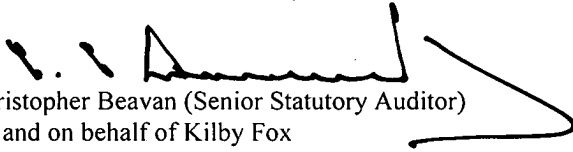
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Report of the Independent Auditors to the Members of
Goldline (UK) Limited

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 a Report of the Auditors 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.



Christopher Beavan (Senior Statutory Auditor)
for and on behalf of Kilby Fox

Statutory Auditor
4 Pavilion Court
600 Pavilion Drive
Northampton Business Park
Northampton
Northamptonshire
NN4 7SL

Date: 8th October 2020.

Goldline (UK) Limited

Consolidated Income Statement
for the Year Ended 31 December 2019

	Notes	2019 £	2018 £
TURNOVER		16,607,135	17,571,855
Cost of sales		14,715,082	15,575,074
GROSS PROFIT		1,892,053	1,996,781
Administrative expenses		3,139,288	2,086,902
		(1,247,235)	(90,121)
Other operating income		(1,163)	204,996
OPERATING (LOSS)/PROFIT	4	(1,248,398)	114,875
Interest receivable and similar income		61	47
		(1,248,337)	114,922
Interest payable and similar expenses	5	19,650	28,215
(LOSS)/PROFIT BEFORE TAXATION		(1,267,987)	86,707
Tax on (loss)/profit	6	(15,976)	11,406
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(1,252,011)	75,301
(Loss)/profit attributable to: Owners of the parent		(1,252,011)	75,301

The notes form part of these financial statements

Goldline (UK) Limited

Consolidated Other Comprehensive Income
for the Year Ended 31 December 2019

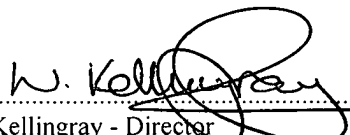
Notes	2019 £	2018 £
(LOSS)/PROFIT FOR THE YEAR	(1,252,011)	75,301
OTHER COMPREHENSIVE INCOME		
Purchase of own shares	-	100
Income tax relating to other comprehensive income	-	-
	<hr/>	<hr/>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	-	100
	<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(1,252,011)	75,401
	<hr/> <hr/>	<hr/> <hr/>
Total comprehensive income attributable to: Owners of the parent	(1,252,011)	75,401
	<hr/> <hr/>	<hr/> <hr/>

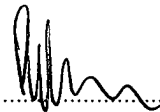
The notes form part of these financial statements

Consolidated Balance Sheet
31 December 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Intangible assets	9	-	3,660
Tangible assets	10	98,542	118,589
Investments	11	-	-
		<u>98,542</u>	<u>122,249</u>
CURRENT ASSETS			
Stocks	12	16,740	-
Debtors	13	2,608,560	4,139,586
Cash at bank and in hand		51,718	50,187
		<u>2,677,018</u>	<u>4,189,773</u>
CREDITORS			
Amounts falling due within one year	14	<u>2,731,721</u>	<u>2,885,305</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(54,703)</u>	<u>1,304,468</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>43,839</u>	<u>1,426,717</u>
CREDITORS			
Amounts falling due after more than one year	15	(131,736)	(263,471)
PROVISIONS FOR LIABILITIES	19	<u>(1,270)</u>	<u>(402)</u>
NET (LIABILITIES)/ASSETS		<u><u>(89,167)</u></u>	<u><u>1,162,844</u></u>
CAPITAL AND RESERVES			
Called up share capital	20	2,700	2,700
Retained earnings	21	<u>(91,867)</u>	<u>1,160,144</u>
SHAREHOLDERS' FUNDS		<u><u>(89,167)</u></u>	<u><u>1,162,844</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 7/10/2020 and were signed on its behalf by:

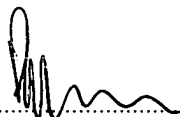

W Kellingray - Director


P Higham - Director

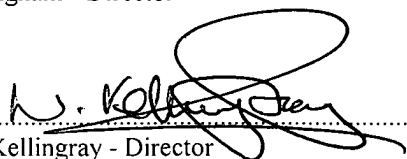
Company Balance Sheet
31 December 2019

	Notes	2019		2018	
		£	£	£	£
FIXED ASSETS					
Intangible assets	9		-		3,660
Tangible assets	10		75,650		90,052
Investments	11		94		94
			<hr/>		<hr/>
			75,744		93,806
CURRENT ASSETS					
Stocks	12	16,740		-	
Debtors	13	2,608,560		4,153,385	
Cash at bank and in hand		50,069		20,260	
		<hr/>		<hr/>	
		2,675,369		4,173,645	
CREDITORS					
Amounts falling due within one year	14	2,729,380		2,877,550	
		<hr/>		<hr/>	
NET CURRENT (LIABILITIES)/ASSETS			(54,011)		1,296,095
			<hr/>		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			21,733		1,389,901
CREDITORS					
Amounts falling due after more than one year	15		(131,736)		(263,471)
PROVISIONS FOR LIABILITIES	19		(1,270)		(402)
			<hr/>		<hr/>
NET (LIABILITIES)/ASSETS			(111,273)		1,126,028
			<hr/>		<hr/>
CAPITAL AND RESERVES					
Called up share capital	20		2,700		2,700
Retained earnings	21		(113,973)		1,123,328
			<hr/>		<hr/>
SHAREHOLDERS' FUNDS			(111,273)		1,126,028
			<hr/>		<hr/>
Company's (loss)/profit for the financial year			(1,237,301)		60,736
			<hr/>		<hr/>

The financial statements were approved by the Board of Directors and authorised for issue on 7.10.2020 and were signed on its behalf by:



P Higham - Director



W Kellingray - Director

The notes form part of these financial statements

Goldline (UK) Limited

Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2018	2,800	1,269,743	1,272,543
Changes in equity			
Issue of share capital	(100)	-	(100)
Dividends	-	(185,000)	(185,000)
Total comprehensive income	-	75,401	75,401
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2018	2,700	1,160,144	1,162,844
	<hr/>	<hr/>	<hr/>
Changes in equity			
Total comprehensive income	-	(1,252,011)	(1,252,011)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2019	2,700	(91,867)	(89,167)
	<hr/>	<hr/>	<hr/>

The notes form part of these financial statements

Goldline (UK) Limited

Company Statement of Changes in Equity
for the Year Ended 31 December 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2018	2,800	1,247,492	1,250,292
Changes in equity			
Issue of share capital	(100)	-	(100)
Dividends	-	(185,000)	(185,000)
Total comprehensive income	-	60,836	60,836
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2018	2,700	1,123,328	1,126,028
	<hr/>	<hr/>	<hr/>
Changes in equity			
Total comprehensive income	-	(1,237,301)	(1,237,301)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2019	2,700	(113,973)	(111,273)
	<hr/>	<hr/>	<hr/>

The notes form part of these financial statements

Goldline (UK) Limited

Consolidated Cash Flow Statement
for the Year Ended 31 December 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	(60,230)	478,012
Interest paid		(19,650)	(28,215)
Tax paid		(16,587)	(51,506)
Net cash from operating activities		<u>(96,467)</u>	<u>398,291</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(24,800)	(11,125)
Sale of tangible fixed assets		8,750	34,825
Interest received		61	47
Net cash from investing activities		<u>(15,989)</u>	<u>23,747</u>
Cash flows from financing activities			
Amount introduced by directors		4,523	21,137
Amount withdrawn by directors		(25,000)	(20,567)
Share buyback		-	(100)
Equity dividends paid		-	(185,000)
Net cash from financing activities		<u>(20,477)</u>	<u>(184,530)</u>
(Decrease)/increase in cash and cash equivalents		<u>(132,933)</u>	<u>237,508</u>
Cash and cash equivalents at beginning of year	2	(1,646,445)	(1,883,953)
Cash and cash equivalents at end of year	2	<u><u>(1,779,378)</u></u>	<u><u>(1,646,445)</u></u>

The notes form part of these financial statements

Goldline (UK) Limited

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2019

1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2019	2018
	£	£
(Loss)/profit before taxation	(1,267,987)	86,707
Depreciation charges	42,047	60,353
Profit on disposal of fixed assets	(2,289)	(3,814)
Finance costs	19,650	28,215
Finance income	(61)	(47)
	<u>(1,208,640)</u>	<u>171,414</u>
Increase in stocks	(16,740)	-
Decrease in trade and other debtors	1,559,632	106,351
(Decrease)/increase in trade and other creditors	<u>(394,482)</u>	<u>200,247</u>
Cash generated from operations	<u><u>(60,230)</u></u>	<u><u>478,012</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2019

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	51,718	50,187
Bank overdrafts	<u>(1,831,096)</u>	<u>(1,696,632)</u>
	<u><u>(1,779,378)</u></u>	<u><u>(1,646,445)</u></u>

Year ended 31 December 2018

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	50,187	51,423
Bank overdrafts	<u>(1,696,632)</u>	<u>(1,935,376)</u>
	<u><u>(1,646,445)</u></u>	<u><u>(1,883,953)</u></u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.19	Cash flow	At 31.12.19
	£	£	£
Net cash			
Cash at bank and in hand	50,187	1,531	51,718
Bank overdrafts	<u>(1,696,632)</u>	<u>(134,464)</u>	<u>(1,831,096)</u>
	<u>(1,646,445)</u>	<u>(132,933)</u>	<u>(1,779,378)</u>
Total	<u><u>(1,646,445)</u></u>	<u><u>(132,933)</u></u>	<u><u>(1,779,378)</u></u>

The notes form part of these financial statements

Goldline (UK) Limited

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2019

1. STATUTORY INFORMATION

Goldline (UK) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Software are being amortised evenly over their estimated useful life of three years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Property improvements	- over the period of the lease
Plant and machinery	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Goldline (UK) Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2019

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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

Going concern

During the year ended 31 December 2019 the company incurred a bad debt of £1,189,445 in respect of Mothercare UK Limited. Mothercare UK Limited went into administration in November 2019 and it is unlikely any of the amount owed to Goldline (UK) Limited will be recovered. This bad debt significantly contributed to the loss incurred in the financial year and the resultant balance sheet position of the company. Current trade is in line with expectations and the company has the financial support of shareholders, a government Covid-19 loan and the bank to continue operating.

3. EMPLOYEES AND DIRECTORS

	2019 £	2018 £
Wages and salaries	1,070,690	1,300,474
Social security costs	105,890	117,623
Other pension costs	73,589	92,638
	<u>1,250,169</u>	<u>1,510,735</u>

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

	2019	2018
Administration	16	17
Sales	10	11
	<u>26</u>	<u>28</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 26 (2018 - 28).

	2019 £	2018 £
Directors' remuneration	267,347	427,668
Directors' pension contributions to money purchase schemes	9,891	8,644
	<u>277,238</u>	<u>436,312</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2019	2018
Money purchase schemes	<u>1</u>	<u>1</u>

Information regarding the highest paid director is as follows:

	2019 £	2018 £
Emoluments etc	105,457	143,033
Pension contributions to money purchase schemes	<u>3,955</u>	<u>4,291</u>

Goldline (UK) Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2019

4. OPERATING (LOSS)/PROFIT

The operating loss (2018 - operating profit) is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation - owned assets	38,386	45,721
Profit on disposal of fixed assets	(2,289)	(3,814)
Software amortisation	3,660	14,633
Auditors' remuneration	11,495	14,446
Foreign exchange differences	35,091	(159,996)
	<u>38,252</u>	<u>(10,009)</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Invoice discounting	10,521	12,246
5.25% Preference Share interest	9,129	15,969
	<u>19,650</u>	<u>28,215</u>

6. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss for the year was as follows:

	2019	2018
	£	£
Current tax:		
UK corporation tax	(16,844)	16,833
Overprovision	-	3,894
Total current tax	(16,844)	20,727
Deferred tax	868	(9,321)
Tax on (loss)/profit	<u>(15,976)</u>	<u>11,406</u>

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 December 2019.

	Gross	2018	Net
	£	Tax	£
Purchase of own shares	100	-	100
	<u>100</u>	<u>-</u>	<u>100</u>

7. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

Goldline (UK) Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2019

8. DIVIDENDS

	2019 £	2018 £
Ordinary shares of £1 each		
Interim	-	185,000
	<u> </u>	<u> </u>

9. INTANGIBLE FIXED ASSETS

Group

	Software £
COST	
At 1 January 2019	
and 31 December 2019	43,900
	<u> </u>
AMORTISATION	
At 1 January 2019	40,240
Amortisation for year	3,660
	<u> </u>
At 31 December 2019	43,900
	<u> </u>
NET BOOK VALUE	
At 31 December 2019	-
	<u> </u>
At 31 December 2018	3,660
	<u> </u>

Company

	Software £
COST	
At 1 January 2019	
and 31 December 2019	43,900
	<u> </u>
AMORTISATION	
At 1 January 2019	40,240
Amortisation for year	3,660
	<u> </u>
At 31 December 2019	43,900
	<u> </u>
NET BOOK VALUE	
At 31 December 2019	-
	<u> </u>
At 31 December 2018	3,660
	<u> </u>

Goldline (UK) Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2019

10. TANGIBLE FIXED ASSETS

Group

	Property improvements £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 January 2019	60,114	232,209	63,657	355,980
Additions	-	-	24,800	24,800
Disposals	-	-	(24,657)	(24,657)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2019	60,114	232,209	63,800	356,123
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION				
At 1 January 2019	27,701	176,385	33,305	237,391
Charge for year	7,919	19,522	10,945	38,386
Eliminated on disposal	-	-	(18,196)	(18,196)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2019	35,620	195,907	26,054	257,581
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
At 31 December 2019	24,494	36,302	37,746	98,542
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	32,413	55,824	30,352	118,589
	<hr/>	<hr/>	<hr/>	<hr/>

Company

	Property improvements £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 January 2019	27,346	229,306	63,657	320,309
Additions	-	-	24,800	24,800
Disposals	-	-	(24,657)	(24,657)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2019	27,346	229,306	63,800	320,452
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION				
At 1 January 2019	21,148	175,804	33,305	230,257
Charge for year	2,734	19,062	10,945	32,741
Eliminated on disposal	-	-	(18,196)	(18,196)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2019	23,882	194,866	26,054	244,802
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
At 31 December 2019	3,464	34,440	37,746	75,650
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	6,198	53,502	30,352	90,052
	<hr/>	<hr/>	<hr/>	<hr/>

Goldline (UK) Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2019

11. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 January 2019	
and 31 December 2019	94
	<hr/>
NET BOOK VALUE	
At 31 December 2019	94
	<hr/>
At 31 December 2018	94
	<hr/>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

Goldline Asia Trading Limited

Registered office: Rooms 904-908, 9/F, Kai Tak Commercial Building, 317-319 Des Voeux Road Central, Hong Kong

Nature of business: Footwear wholesale

	%
Class of shares:	holding
Ordinary	100.00

12. STOCKS

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Stocks	16,740	-	16,740	-
	<hr/>	<hr/>	<hr/>	<hr/>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	2,340,827	3,743,291	2,340,827	3,743,291
Amounts owed by group undertakings	-	-	-	13,799
Other debtors	180,848	321,922	180,848	321,922
Sundry debtors and prepayments	38,227	44,041	38,227	44,041
Directors' current accounts	40,529	20,052	40,529	20,052
Tax	8,129	-	8,129	-
VAT	-	10,280	-	10,280
	<hr/>	<hr/>	<hr/>	<hr/>
	2,608,560	4,139,586	2,608,560	4,153,385
	<hr/>	<hr/>	<hr/>	<hr/>

Goldline (UK) Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2019

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans and overdrafts (see note 16)	1,831,096	1,696,632	1,831,096	1,696,632
Trade creditors	691,784	477,163	691,785	477,163
Amounts owed to group undertakings	-	-	4,904	-
Corporation tax	(8,455)	16,847	(8,455)	16,584
Social security and other taxes	32,051	42,032	32,051	42,032
VAT	93	-	93	-
Accruals and deferred income	185,152	652,631	177,906	645,139
	<u>2,731,721</u>	<u>2,885,305</u>	<u>2,729,380</u>	<u>2,877,550</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
5.25% cumulative redeemable preference shares	<u>131,736</u>	<u>263,471</u>	<u>131,736</u>	<u>263,471</u>

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	<u>1,831,096</u>	<u>1,696,632</u>	<u>1,831,096</u>	<u>1,696,632</u>

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	111,510	125,000
Between one and five years	296,551	385,685
In more than five years	-	12,455
	<u>408,061</u>	<u>523,140</u>

Goldline (UK) Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2019

17. LEASING AGREEMENTS - continued

Company

	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	111,510	125,000
Between one and five years	296,551	385,685
In more than five years	-	12,455
	<u>408,061</u>	<u>523,140</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank overdrafts	<u>1,831,096</u>	<u>1,696,632</u>	<u>1,831,096</u>	<u>1,696,632</u>

The bank holds a debenture creating a fixed and floating charge over the assets of the company, a charge over the debtor book and a counter indemnity.

19. PROVISIONS FOR LIABILITIES

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Deferred tax	<u>1,270</u>	<u>402</u>	<u>1,270</u>	<u>402</u>

Group

	Deferred tax
	£
Balance at 1 January 2019	402
Provided during year	868
Balance at 31 December 2019	<u>1,270</u>

Company

	Deferred tax
	£
Balance at 1 January 2019	402
Provided during year	868
Balance at 31 December 2019	<u>1,270</u>

Goldline (UK) Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2019

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2019	2018
Number:	Class:	Nominal value:	£	£
2,500	Ordinary	£1	2,500	2,500
300	5.25% cumulative redeemable preference shares	1.00	200	200
			<u>2,700</u>	<u>2,700</u>

21. RESERVES

Group

	Retained earnings £
At 1 January 2019	1,160,144
Deficit for the year	<u>(1,252,011)</u>
At 31 December 2019	<u>(91,867)</u>

Company

	Retained earnings £
At 1 January 2019	1,123,328
Deficit for the year	<u>(1,237,301)</u>
At 31 December 2019	<u>(113,973)</u>

22. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 December 2019 and 31 December 2018:

	2019 £	2018 £
M Bodsworth		
Balance outstanding at start of year	16,155	20,622
Amounts advanced	3,897	554
Amounts repaid	(4,516)	(5,021)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>15,536</u>	<u>16,155</u>

Goldline (UK) Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2019

22. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued

P Higham

Balance outstanding at start of year	-	-
Amounts advanced	25,000	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>25,000</u>	<u>-</u>

23. RELATED PARTY DISCLOSURES

51% of the company is owned by Pinpoint Investments Limited which is incorporated in the British Virgin Islands.

Pinpoint Investments Limited received a dividend of £nil (2018: £185,000) from Goldline (UK) Limited during the year.

M Bodsworth a director of Goldline (UK) Limited received a loan of £24,012 from the Company in November 2016 that is repayable over a 71 month period with interest being charged at a rate of 3% per annum. The balance outstanding as at the 31 December 2019 is £15,536 (2018: £16,155).

P Higham a director of Goldline (UK) Limited received a loan of £25,000 from the company in September 2019. The balance outstanding as at the 31 December 2019 is £25,000.

On 20th December 2013 Goldline (UK) Limited entered into a lease agreement for new office premises at a cost of £93,280 per annum with Newstone Properties Limited, a company with mutual Shareholders as Goldline (UK) Limited. On 17th December 2013 Goldline (UK) Limited signed a guarantee agreement with National Westminster Bank Plc on behalf of Newstone Properties Limited to the value of £900,000. The guarantee is payable to the bank on demand.

During the year Goldline Asia Limited, a wholly owned subsidiary of Goldline UK Limited, made loan repayments to Goldline UK Limited amounting to £13,799 (2018: £nil). At the 31st December 2019 £4,904 (2018: £13,799 owed to Goldline (UK) Limited from Goldline Asia Limited) was owed to Goldline Asia Limited by Goldline (UK) Limited

No other transactions between the parties above took place during the year and no other balances exist at the year end.

24. ULTIMATE CONTROLLING PARTY

Control lies with Mr Robert Brown.