

Goldline (UK) Limited
Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31 December 2021

Kilby Fox
Statutory Auditor
4 Pavilion Court
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Northampton
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for the Year Ended 31 December 2021

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Goldline (UK) Limited
Company Information
for the Year Ended 31 December 2021

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

Group Strategic Report
for the Year Ended 31 December 2021

The directors present their strategic report of the company and the group for the year ended 31 December 2021.

REVIEW OF BUSINESS

Although the direct effects of Covid-19 diminished in 2021 with the relaxation of restrictions in the United Kingdom and the full opening of retail, it continues to affect our supply chain both from China and India.

China is still going through sporadic closures throughout the country which effects the wider supply chain of components, packaging and finished products. Over and above this, Chinese ports have also been closed impacting the worldwide supply chain. We have been fortunate with supply from India as they have not yet imposed severe lockdowns.

The conflict in Ukraine has also led to a lot of uncertainty and sanctions on Russia has led to global shortages of certain raw materials and increasing oil prices.

One of our largest customers indirectly sell to Russia and due to sanctions and political pressures they have had no choice but to cancel their 2022 orders. The orders for 2022 cancelled amounted to approximately £350,000.

Worldwide Inflationary pressures and interest rate rises has and will undoubtedly increase global prices and quite possibly reduce customers spending. Although the majority of our customers are at the value end of the market, we would be naive to think that this will not impact Goldline in some way.

Goldline's turnover stabilised in 2021 which was in line with expectations, as we continued to reduce overheads.

Furthermore, to secure the working capital requirements of the business a 'Loan Support Facility' from the majority shareholder amounting to £500,000 has been secured. This facility will be available over the next 3 years.

PRINCIPAL RISKS AND UNCERTAINTIES

There is still much uncertainty surrounding Covid, lockdowns still very prevalent in certain countries and the very real possibility of new variants that are vaccine resistant.

This uncertainty surrounding Covid, alongside the conflict in Ukraine which could be long lasting coupled with the rise in inflation make the next 12-36 months quite uncertain.

However, I believe that Goldline are in very strong position to weather on future storms with the measure that we have taken over the past 3 years,

We are still extensively investigating new areas of source, however the continued issues surrounding Covid 19 travel restrictions are hampering this process. We only foresee being able to travel freely to China and SE Asia in 2023 to pursue this process.

FUTURE PERFORMANCE

Our focus in 2022 is to remain profitable, rebuild the balance sheet and maintaining positive cashflow taking into consideration the risks that currently prevail in our market.

Our Sales and Development team have been tasked with growing the headline revenue within the United Kingdom and the Middle East and any other territories they see viable.

Group Strategic Report
for the Year Ended 31 December 2021

FINANCIAL PERFORMANCE

The results for 2021 are pleasing when compared to 2019 and 2020 which was negatively impacted by significant bad debts and the impacts of Covid 19.

Although headline revenue declined by 11%, the margin was maintained and administrative expenses reduced by 35%. Administrative expenses as a percentage of headline revenue reduced by 5%.

Our focus in 2021 was to maintain margins and if possible to grow this with certain customers in the future.

In 2019 and 2020 the balance sheet was impaired and it is pleasing to note a part reversal of the negative equity in 2021 with the profits generated.

ON BEHALF OF THE BOARD:

P Higham - Director

6 July 2022

Report of the Directors
for the Year Ended 31 December 2021

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2021.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2021.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

P Higham
W Kellingray

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

6 July 2022

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 2021 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 2021 and of the group's 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 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

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 group's and the parent 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.

Emphasis of matter

We draw attention to disclosure note 2 accounting policies 'Going concern' regarding the bad debt reported in the year ended 31 December 2020 of £657,269 in respect of the companies in the Arcadia Group and in 2019 bad debts of £1,189,445 relating to Mothercare UK Limited. The Arcadia Group went into administration in November 2020 and Mothercare UK Limited went into administration in November 2019, in May 2022 the company received £165,956 from the liquidation process, however it is unlikely any further amounts they owed to Goldline (UK) Limited will be recovered. These bad debts significantly contributed to the losses incurred in the financial years to 31 December 2020 and 2019 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 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.

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.

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

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and assessing potential risks related to irregularities.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

Audit response to risks identified

- the nature of the industry and sector, control environment and business performance including the design of the Company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of noncompliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and involving relevant internal specialists, including tax specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and local tax legislation.

Audit response to risks identified

As a result of performing the above, we identified revenue recognition as a key audit matter related to the potential risk of fraud.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance

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

- obtained an understanding of provisions and held discussions with management to understand the basis of recognition or non-recognition of tax provisions; and

- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

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.

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

11 July 2022

Consolidated
Income Statement
for the Year Ended 31 December 2021

	Notes	2021 £	2020 £
TURNOVER		10,359,463	11,642,517
Cost of sales		<u>9,085,530</u>	<u>10,184,148</u>
GROSS PROFIT		1,273,933	1,458,369
Administrative expenses		<u>1,202,581</u>	<u>1,981,866</u>
		71,352	(523,497)
Other operating income		<u>155,880</u>	<u>14,673</u>
OPERATING PROFIT/(LOSS)	4	227,232	(508,824)
Interest receivable and similar income		<u>-</u>	<u>4</u>
		227,232	(508,820)
Interest payable and similar expenses	5	<u>28,519</u>	<u>12,791</u>
PROFIT/(LOSS) BEFORE TAXATION		198,713	(521,611)
Tax on profit/(loss)	6	<u>-</u>	<u>(48,149)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>198,713</u>	<u>(473,462)</u>
Profit/(loss) attributable to:			
Owners of the parent		<u>198,713</u>	<u>(473,462)</u>

The notes form part of these financial statements

Consolidated
Other Comprehensive Income
for the Year Ended 31 December 2021

Notes	2021 £	2020 £
PROFIT/(LOSS) FOR THE YEAR	198,713	(473,462)
OTHER COMPREHENSIVE INCOME		
Purchase of own shares	-	200
Income tax relating to other comprehensive income	-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	-	200
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>198,713</u>	<u>(473,262)</u>
Total comprehensive income attributable to: Owners of the parent	<u>198,713</u>	<u>(473,262)</u>

The notes form part of these financial statements

Goldline (UK) Limited (Registered number: 02645067)**Consolidated Balance Sheet**
31 December 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Intangible assets	8		-		-
Tangible assets	9		36,750		63,792
Investments	10		-		-
			<u>36,750</u>		<u>63,792</u>
CURRENT ASSETS					
Stocks	11	4,490		14,560	
Debtors	12	2,604,880		1,997,585	
Cash at bank and in hand		<u>25,907</u>		<u>11,590</u>	
		2,635,277		2,023,735	
CREDITORS					
Amounts falling due within one year	13	<u>2,776,684</u>		<u>2,279,786</u>	
NET CURRENT LIABILITIES			<u>(141,407)</u>		<u>(256,051)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			(104,657)		(192,259)
CREDITORS					
Amounts falling due after more than one year	14		<u>259,259</u>		<u>370,370</u>
NET LIABILITIES			<u>(363,916)</u>		<u>(562,629)</u>
CAPITAL AND RESERVES					
Called up share capital	18		2,500		2,500
Retained earnings	19		<u>(366,416)</u>		<u>(565,129)</u>
SHAREHOLDERS' FUNDS			<u>(363,916)</u>		<u>(562,629)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 6 July 2022 and were signed on its behalf by:

W Kellingray - Director

P Higham - Director

The notes form part of these financial statements

Company Balance Sheet
31 December 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Intangible assets	8		-		-
Tangible assets	9		21,647		45,256
Investments	10		94		94
			<u>21,741</u>		<u>45,350</u>
CURRENT ASSETS					
Stocks	11	4,490		14,560	
Debtors	12	2,604,880		1,997,585	
Cash at bank and in hand		<u>25,433</u>		<u>11,086</u>	
		2,634,803		2,023,231	
CREDITORS					
Amounts falling due within one year	13	<u>2,773,361</u>		<u>2,274,938</u>	
NET CURRENT LIABILITIES			<u>(138,558)</u>		<u>(251,707)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			(116,817)		(206,357)
CREDITORS					
Amounts falling due after more than one year	14		<u>259,259</u>		<u>370,370</u>
NET LIABILITIES			<u>(376,076)</u>		<u>(576,727)</u>
CAPITAL AND RESERVES					
Called up share capital	18		2,500		2,500
Retained earnings	19		<u>(378,576)</u>		<u>(579,227)</u>
SHAREHOLDERS' FUNDS			<u>(376,076)</u>		<u>(576,727)</u>
Company's profit/(loss) for the financial year			<u>200,650</u>		<u>(465,454)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 6 July 2022 and were signed on its behalf by:

P Higham - Director

W Kellingray - Director

Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2020	2,700	(91,867)	(89,167)
Changes in equity			
Issuc of share capital	(200)	-	(200)
Total comprehensive income	-	(473,262)	(473,262)
Balance at 31 December 2020	<u>2,500</u>	<u>(565,129)</u>	<u>(562,629)</u>
Changes in equity			
Total comprehensive income	-	198,713	198,713
Balance at 31 December 2021	<u>2,500</u>	<u>(366,416)</u>	<u>(363,916)</u>

Company Statement of Changes in Equity
for the Year Ended 31 December 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2020	2,700	(113,973)	(111,273)
Changes in equity			
Issue of share capital	(200)	-	(200)
Total comprehensive income	-	(465,254)	(465,254)
Balance at 31 December 2020	<u>2,500</u>	<u>(579,227)</u>	<u>(576,727)</u>
Changes in equity			
Total comprehensive income	-	200,650	200,650
Balance at 31 December 2021	<u>2,500</u>	<u>(378,577)</u>	<u>(376,077)</u>

Consolidated Cash Flow Statement
for the Year Ended 31 December 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	(455,516)	279,631
Interest paid		(28,519)	(12,791)
Tax paid		55,504	(2,688)
Net cash from operating activities		<u>(428,531)</u>	<u>264,152</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(795)	(6,260)
Sale of tangible fixed assets		22,930	17,250
Interest received		-	4
Net cash from investing activities		<u>22,135</u>	<u>10,994</u>
Cash flows from financing activities			
New loans in year		-	500,000
Loan repayments in year		(111,111)	(18,519)
Loan from Pinpoint Investments Limited		(100,114)	100,115
Amount introduced by directors		-	15,529
Net cash from financing activities		<u>(211,225)</u>	<u>597,125</u>
(Decrease)/increase in cash and cash equivalents		<u>(617,621)</u>	<u>872,271</u>
Cash and cash equivalents at beginning of year	2	(907,107)	(1,779,378)
Cash and cash equivalents at end of year	2	<u><u>(1,524,728)</u></u>	<u><u>(907,107)</u></u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2021

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

	2021	2020
	£	£
Profit/(loss) before taxation	198,713	(521,611)
Depreciation charges	12,724	25,060
Profit on disposal of fixed assets	(7,818)	(1,300)
Finance costs	28,519	12,791
Finance income	-	(4)
	<u>232,138</u>	<u>(485,064)</u>
Decrease in stocks	10,070	2,180
(Increase)/decrease in trade and other debtors	(662,799)	653,468
(Decrease)/increase in trade and other creditors	<u>(34,925)</u>	<u>109,047</u>
Cash generated from operations	<u>(455,516)</u>	<u>279,631</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 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	25,907	11,590
Bank overdrafts	<u>(1,550,635)</u>	<u>(918,697)</u>
	<u>(1,524,728)</u>	<u>(907,107)</u>

Year ended 31 December 2020

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	11,590	51,718
Bank overdrafts	<u>(918,697)</u>	<u>(1,831,096)</u>
	<u>(907,107)</u>	<u>(1,779,378)</u>

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2021

3. **ANALYSIS OF CHANGES IN NET DEBT**

	At 1.1.21 £	Cash flow £	At 31.12.21 £
Net cash			
Cash at bank and in hand	11,590	14,317	25,907
Bank overdrafts	<u>(918,697)</u>	<u>(631,938)</u>	<u>(1,550,635)</u>
	<u>(907,107)</u>	<u>(617,621)</u>	<u>(1,524,728)</u>
Debt			
Debts falling due within 1 year	(111,111)	-	(111,111)
Debts falling due after 1 year	<u>(370,370)</u>	<u>111,111</u>	<u>(259,259)</u>
	<u>(481,481)</u>	<u>111,111</u>	<u>(370,370)</u>
Total	<u>(1,388,588)</u>	<u>(506,510)</u>	<u>(1,895,098)</u>

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2021

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.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2021

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 2020 the company incurred a bad debt of £657,269 in respect of companies in the Arcadia Group. Arcadia Group went into administration in November 2020 and in May 2022 the company received £165,956 from the liquidation process. It is unlikely any of the remaining amount owed to Goldline (UK) Limited will be recovered.

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.

These bad debts significantly contributed to the losses incurred in these financial years 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

	2021	2020
	£	£
Wages and salaries	736,763	683,536
Social security costs	75,006	74,807
Other pension costs	117,596	64,403
	<u>929,365</u>	<u>822,746</u>

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

	2021	2020
Administration	3	9
Sales	<u>15</u>	<u>10</u>
	<u>18</u>	<u>19</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 18 (2020 - 19).

	2021	2020
	£	£
Directors' remuneration	199,489	233,526
Directors' pension contributions to money purchase schemes	<u>7,980</u>	<u>9,341</u>

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

	2021	2020
Money purchase schemes	<u>2</u>	<u>3</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2021

4. OPERATING PROFIT/(LOSS)

The operating profit (2020 - operating loss) is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation - owned assets	12,724	25,060
Profit on disposal of fixed assets	(7,818)	(1,300)
Auditors' remuneration	9,731	10,945
Foreign exchange differences	<u>9,551</u>	<u>18,694</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Invoice discounting	28,519	10,502
5.25% Preference Share interest	-	2,289
	<u>28,519</u>	<u>12,791</u>

6. TAXATION

Analysis of the tax credit

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

	2021	2020
	£	£
Current tax:		
UK corporation tax	-	(46,879)
Deferred tax	-	(1,270)
Tax on profit/(loss)	<u>-</u>	<u>(48,149)</u>

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 December 2021.

	Gross	2020	Net
	£	Tax	£
	£	£	£
Purchase of own shares	<u>200</u>	<u>-</u>	<u>200</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.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2021

8. **INTANGIBLE FIXED ASSETS**

Group

Software
£

COST

At 1 January 2021
and 31 December 2021

43,900

AMORTISATION

At 1 January 2021
and 31 December 2021

43,900

NET BOOK VALUE

At 31 December 2021
At 31 December 2020

-
-

Company

Software
£

COST

At 1 January 2021
and 31 December 2021

43,900

AMORTISATION

At 1 January 2021
and 31 December 2021

43,900

NET BOOK VALUE

At 31 December 2021
At 31 December 2020

-
-

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2021

9. **TANGIBLE FIXED ASSETS**

Group

	Property improvements £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 January 2021	60,114	238,469	24,800	323,383
Additions	-	795	-	795
Disposals	-	-	(24,800)	(24,800)
At 31 December 2021	<u>60,114</u>	<u>239,264</u>	<u>-</u>	<u>299,378</u>
DEPRECIATION				
At 1 January 2021	42,358	207,546	9,688	259,592
Charge for year	3,882	8,842	-	12,724
Eliminated on disposal	-	-	(9,688)	(9,688)
At 31 December 2021	<u>46,240</u>	<u>216,388</u>	<u>-</u>	<u>262,628</u>
NET BOOK VALUE				
At 31 December 2021	<u>13,874</u>	<u>22,876</u>	<u>-</u>	<u>36,750</u>
At 31 December 2020	<u>17,756</u>	<u>30,923</u>	<u>15,112</u>	<u>63,791</u>

Company

	Property improvements £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 January 2021	27,346	235,566	24,800	287,712
Additions	-	795	-	795
Disposals	-	-	(24,800)	(24,800)
At 31 December 2021	<u>27,346</u>	<u>236,361</u>	<u>-</u>	<u>263,707</u>
DEPRECIATION				
At 1 January 2021	26,617	206,151	9,688	242,456
Charge for year	729	8,563	-	9,292
Eliminated on disposal	-	-	(9,688)	(9,688)
At 31 December 2021	<u>27,346</u>	<u>214,714</u>	<u>-</u>	<u>242,060</u>
NET BOOK VALUE				
At 31 December 2021	<u>-</u>	<u>21,647</u>	<u>-</u>	<u>21,647</u>
At 31 December 2020	<u>729</u>	<u>29,415</u>	<u>15,112</u>	<u>45,256</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2021

10. **FIXED ASSET INVESTMENTS**

Company

Shares in
group
undertakings
£

COST

At 1 January 2021
and 31 December 2021

94

NET BOOK VALUE

At 31 December 2021
At 31 December 2020

94

94

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

11. **STOCKS**

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Stocks	<u>4,490</u>	<u>14,560</u>	<u>4,490</u>	<u>14,560</u>

12. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	2,176,267	1,772,774	2,176,267	1,772,774
Other debtors	343,116	43,100	343,116	43,100
Sundry debtors and prepayments	49,850	72,907	49,850	72,907
Directors' current accounts	25,000	25,000	25,000	25,000
Tax	10,647	66,151	10,647	66,151
VAT	-	3,127	-	3,127
Prepayments and accrued income	-	14,526	-	14,526
	<u>2,604,880</u>	<u>1,997,585</u>	<u>2,604,880</u>	<u>1,997,585</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2021

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans and overdrafts (see note 15)	1,661,746	1,029,808	1,661,746	1,029,808
Trade creditors	1,047,681	1,090,592	1,047,682	1,057,599
Amounts owed to group undertakings	-	100,115	-	133,934
Social security and other taxes	24,202	37,906	24,202	37,906
VAT	704	-	704	-
Accruals and deferred income	42,351	21,365	39,027	15,691
	<u>2,776,684</u>	<u>2,279,786</u>	<u>2,773,361</u>	<u>2,274,938</u>

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

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans (see note 15)	<u>259,259</u>	<u>370,370</u>	<u>259,259</u>	<u>370,370</u>

15. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	1,550,635	918,697	1,550,635	918,697
Bank loans	<u>111,111</u>	<u>111,111</u>	<u>111,111</u>	<u>111,111</u>
	<u>1,661,746</u>	<u>1,029,808</u>	<u>1,661,746</u>	<u>1,029,808</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>111,111</u>	<u>111,111</u>	<u>111,111</u>	<u>111,111</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>148,148</u>	<u>259,259</u>	<u>148,148</u>	<u>259,259</u>

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2021

Group

	Non-cancellable operating leases	
	2021	2020
	£	£
Within one year	107,818	109,991
Between one and five years	109,203	186,560
	<u>217,021</u>	<u>296,551</u>

Company

	Non-cancellable operating leases	
	2021	2020
	£	£
Within one year	107,818	109,991
Between one and five years	109,203	186,560
	<u>217,021</u>	<u>296,551</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank overdrafts	1,550,635	918,697	1,550,635	918,697
Bank loans	370,370	481,481	370,370	481,481
	<u>1,921,005</u>	<u>1,400,178</u>	<u>1,921,005</u>	<u>1,400,178</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.

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2021	2020
			£	£
2,500	Ordinary	£1	<u>2,500</u>	<u>2,500</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2021

19. **RESERVES**

Group

	Retained earnings £
At 1 January 2021	(565,129)
Profit for the year	198,713
At 31 December 2021	<u>(366,416)</u>

Company

	Retained earnings £
At 1 January 2021	(579,226)
Profit for the year	200,650
At 31 December 2021	<u>(378,576)</u>

20. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to directors subsisted during the years ended 31 December 2021 and 31 December 2020:

	2021 £	2020 £
M Bodsworth		
Balance outstanding at start of year	-	15,536
Amounts repaid	-	(15,536)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>-</u>
P Higham		
Balance outstanding at start of year	25,000	25,000
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>25,000</u>	<u>25,000</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2021

21. RELATED PARTY DISCLOSURES

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

During the year ended 31 December 2020 Goldline (UK) Limited received a loan from Pinpoint Investments Limited of £100,000, the balance outstanding as at the 31 December 2021 is nil (2020 : £100,000).

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 2021 is £25,000 (2020 : £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.

Goldline Asia Limited is a wholly owned subsidiary of Goldline UK Limited. As at the 31st December 2021 Goldline (UK) Limited owe Goldline Asia Limited £nil (2020 : £8,435).

22. ULTIMATE CONTROLLING PARTY

Control lies with Mr Robert Brown.

23. CONTINGENT ASSET

The company has trading losses available to carry forward which will crystallise in the future when the company makes profits chargeable to corporation tax.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.