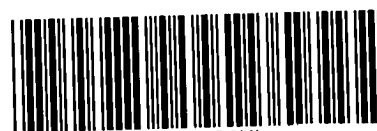


# **N G LOGISTICS LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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## **N G LOGISTICS LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	P D O'Brien G Dean M J Rue
<b>Company secretary</b>	G Dean
<b>Registered number</b>	03664050
<b>Registered office</b>	Reading Bridge House George Street Reading Berkshire RG1 8LS
<b>Independent auditor</b>	James Cowper Kreston Chartered Accountants and Statutory Auditor Reading Bridge House George Street Reading Berkshire RG1 8LS

# **N G LOGISTICS LIMITED**

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## **N G LOGISTICS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017**

The directors present their report and the financial statements for the year ended 30 September 2017.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 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 for the Group's financial statements and then apply them consistently;
- make judgments 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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Principal activity**

The principal activity of the group in the year under review was that of operating as a multi-modal international freight forwarding agent offering a wide range of services including third party logistics and inventory management.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £1,273,855 (2016 - £1,228,591).

Dividends amounting to £1,095,388 (2016: £814,318) were paid in the year.

#### **Directors**

The directors who served during the year were:

P D O'Brien  
G Dean  
M J Rue

#### **Disclosure of information to auditor**

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 and the Group's auditor is 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 and the Group's auditor is aware of that information.

**N G LOGISTICS LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

**Auditor**

The auditor, James Cowper Kreston, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



.....  
**G Dean**  
Director

Date: 27 March 2018

## **N G LOGISTICS LIMITED**

### **GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017**

#### **Business review**

The year ended 30 September 2017 has been an improved year for the company with turnover increasing from £24.8m in 2016 to £31.3m in 2017, an increase of 26%. Although increases in shipping and freight costs have reduced margins, the operating profit shows a small increase over the previous year.

#### **Principal risks and uncertainties**

The company has a committed and highly trained workforce who are all striving to take the group forward, and it enjoys long standing relationships with its mainly internationally trading clients. Brexit remains an uncertainty to these clients, drops in consumer confidence, large exchange rates movements, or disruption to supply chains at borders, could all harm their businesses, which in turn could impact our volumes and performance. We need to be vigilant to any issues regarding Brexit, and ready to offer clients options and solutions to any changing circumstances.

#### **Future developments**

The forthcoming year promises to be one of continued expansion, with strong commitments to sales and marketing, and further expansion of operations in Asia with new offices scheduled to open in 2018.

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



.....  
**G Dean**  
Director

Date: 27 March 2018

## **N G LOGISTICS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF N G LOGISTICS LIMITED**

#### **Opinion**

We have audited the financial statements of N G Logistics Limited for the year ended 30 September 2017, set out on pages 7 to 30. 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).

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

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 September 2017 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the 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

## **N G LOGISTICS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF N G LOGISTICS LIMITED (CONTINUED)**

inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Group 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 Group 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 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 and 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 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 Directors' Responsibilities Statement on page 1, 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 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.



## N G LOGISTICS LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF N G LOGISTICS LIMITED (CONTINUED)

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's Report.



Alexander Peal BSc(Hons) FCA DChA (Senior Statutory Auditor)

for and on behalf of

**James Cowper Kreston**

Chartered Accountants and Statutory Auditor

Reading Bridge House  
George Street  
Reading  
Berkshire  
RG1 8LS

27 March 2018

**N G LOGISTICS LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	Note	2017 £	2016 £
Turnover	4	31,318,998	24,809,032
Cost of sales		(24,580,495)	(18,249,408)
<b>Gross profit</b>		<b>6,738,503</b>	6,559,624
Distribution costs		(272,967)	(253,633)
Administrative expenses		(5,063,270)	(5,101,661)
Other operating income	5	146,951	171,799
<b>Operating profit</b>	6	<b>1,549,217</b>	1,376,129
Share of profit of joint venture		27,221	103,269
<b>Total operating profit</b>		<b>1,576,438</b>	1,479,398
Interest payable and expenses	9	(354)	(589)
<b>Profit before taxation</b>		<b>1,576,084</b>	1,478,809
Tax on profit	10	(302,229)	(250,218)
<b>Profit for the financial year</b>		<b>1,273,855</b>	1,228,591
 <b>Total comprehensive income for the year</b>		 <b>1,273,855</b>	 1,228,591
<b>Profit for the year attributable to:</b>			
Owners of the parent Company		1,273,855	1,228,591
		<b>1,273,855</b>	1,228,591
 <b>Total comprehensive income for the year attributable to:</b>			
Owners of the parent Company		1,273,855	1,228,591
		<b>1,273,855</b>	1,228,591

**N G LOGISTICS LIMITED**  
**REGISTERED NUMBER: 03664050**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	12	605,891	711,634
Tangible assets	13	282,062	294,998
Investments	14	690,984	663,763
		<u>1,578,937</u>	<u>1,670,395</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	15	5,341,424	4,469,334
Cash at bank and in hand	16	2,050,732	1,843,157
		<u>7,392,156</u>	<u>6,312,491</u>
Creditors: amounts falling due within one year	17	(6,821,089)	(6,017,057)
<b>Net current assets</b>		<u>571,067</u>	<u>295,434</u>
<b>Total assets less current liabilities</b>		<u>2,150,004</u>	<u>1,965,829</u>
<b>Provisions for liabilities</b>			
Deferred taxation	19	(15,840)	(10,132)
		<u>(15,840)</u>	<u>(10,132)</u>
<b>Net assets</b>		<u><u>2,134,164</u></u>	<u><u>1,955,697</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	855	855
Capital redemption reserve	21	145	145
Profit and loss account	21	2,133,164	1,954,697
<b>Equity attributable to owners of the parent Company</b>		<u>2,134,164</u>	<u>1,955,697</u>
		<u><u>2,134,164</u></u>	<u><u>1,955,697</u></u>

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

.....  
**G Dean**

Director

Date: 27 March 2018

The notes on pages 15 to 30 form part of these financial statements.

**N G LOGISTICS LIMITED**  
**REGISTERED NUMBER: 03664050**

**COMPANY BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Investments	14	3,132,132	3,132,132
		<u>3,132,132</u>	<u>3,132,132</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	15	-	35,183
Cash at bank and in hand	16	6,293	6,005
		<u>6,293</u>	<u>41,188</u>
Creditors: amounts falling due within one year	17	(2,348,318)	(2,510,716)
<b>Net current liabilities</b>		<u>(2,342,025)</u>	<u>(2,469,528)</u>
<b>Total assets less current liabilities</b>		<u>790,107</u>	<u>662,604</u>
<b>Net assets</b>		<u>790,107</u>	<u>662,604</u>
<b>Capital and reserves</b>			
Called up share capital	20	855	855
Capital redemption reserve	21	145	145
Profit and loss account	21	789,107	661,604
		<u>790,107</u>	<u>662,604</u>

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

.....  
**G Dean**  
 Director

Date: 27 March 2018

**N G LOGISTICS LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	Called up share capital	Capital redemption reserve	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£
At 1 October 2016	855	145	1,954,697	1,955,697	1,955,697
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	1,273,855	1,273,855	1,273,855
<b>Total comprehensive income for the year</b>	-	-	1,273,855	1,273,855	1,273,855
Dividends: Equity capital	-	-	(1,095,388)	(1,095,388)	(1,095,388)
<b>Total transactions with owners</b>	-	-	(1,095,388)	(1,095,388)	(1,095,388)
<b>At 30 September 2017</b>	<b>855</b>	<b>145</b>	<b>2,133,164</b>	<b>2,134,164</b>	<b>2,134,164</b>

**N G LOGISTICS LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	Called up share capital	Capital redemption reserve	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£
At 1 October 2015	855	145	1,540,424	1,541,424	1,541,424
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	1,228,591	1,228,591	1,228,591
<b>Total comprehensive income for the year</b>	-	-	1,228,591	1,228,591	1,228,591
Dividends: Equity capital	-	-	(814,318)	(814,318)	(814,318)
<b>Total transactions with owners</b>	-	-	(814,318)	(814,318)	(814,318)
<b>At 30 September 2016</b>	<b>855</b>	<b>145</b>	<b>1,954,697</b>	<b>1,955,697</b>	<b>1,955,697</b>

The notes on pages 15 to 30 form part of these financial statements.

**N G LOGISTICS LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 October 2016	855	145	661,604	662,604
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	1,222,891	1,222,891
	-	-	1,222,891	1,222,891
<b>Total comprehensive income for the year</b>				
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital	-	-	(1,095,388)	(1,095,388)
	-	-	(1,095,388)	(1,095,388)
<b>Total transactions with owners</b>				
<b>At 30 September 2017</b>	<b>855</b>	<b>145</b>	<b>789,107</b>	<b>790,107</b>

**N G LOGISTICS LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 October 2015 (as previously stated)	855	145	894,144	895,144
Prior year adjustment	-	-	(233,300)	(233,300)
At 1 October 2015 (as restated)	<u>855</u>	<u>145</u>	<u>660,844</u>	<u>661,844</u>
<b>Comprehensive income for the year</b>				
Profit for the year (as restated)	-	-	815,078	815,078
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>-</u>	<u>815,078</u>	<u>815,078</u>
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital	-	-	(814,318)	(814,318)
<b>Total transactions with owners</b>	<u>-</u>	<u>-</u>	<u>(814,318)</u>	<u>(814,318)</u>
<b>At 30 September 2016</b>	<u><u>855</u></u>	<u><u>145</u></u>	<u><u>661,604</u></u>	<u><u>662,604</u></u>



**N G LOGISTICS LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	2017 £	2016 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	1,273,855	1,228,591
<b>Adjustments for:</b>		
Amortisation of intangible assets	105,746	105,746
Depreciation of tangible assets	78,482	77,627
Loss on disposal of tangible assets	5,686	(20,551)
Interest paid	354	589
Taxation charge	302,229	250,218
(Increase) in debtors	(799,542)	(13,975)
(Increase)/decrease in amounts owed by joint ventures	(72,551)	-
Increase/(decrease) in creditors	741,068	(530,027)
Share of operating (loss) in joint ventures	(27,221)	(103,269)
Corporation tax (paid)	(233,557)	(335,896)
Foreign exchange	-	7,501
<b>Net cash generated from operating activities</b>	<b>1,374,549</b>	<b>666,554</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(98,829)	(179,096)
Sale of tangible fixed assets	27,597	51,400
<b>Net cash from investing activities</b>	<b>(71,232)</b>	<b>(127,696)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(1,095,388)	(814,318)
Interest paid	(354)	(589)
<b>Net cash used in financing activities</b>	<b>(1,095,742)</b>	<b>(814,907)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>207,575</b>	<b>(276,049)</b>
Cash and cash equivalents at beginning of year	1,843,157	2,119,206
<b>Cash and cash equivalents at the end of year</b>	<b>2,050,732</b>	<b>1,843,157</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	2,050,732	1,843,157
	<b>2,050,732</b>	<b>1,843,157</b>

## **N G LOGISTICS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017**

#### **1. General information**

NG Logistics is a private company limited by share capital and incorporated in England and Wales. The registered office is Reading Bridge House, George Street, Reading, Berkshire, RG1 8LS.

The principal activity of the company is that of 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 Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### **2.2 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

##### **2.3 Associates and joint ventures**

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Balance Sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

## **N G LOGISTICS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017**

#### **2. Accounting policies (continued)**

##### **2.4 Revenue**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts. The whole of the turnover is attributable to freight forwarding in the form of both imports and exports. Profits are recognised on imports when the goods arrive in the destination country. Profits on exports are recognised when the goods leave the source country.

##### **2.5 Goodwill**

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and Loss Account over its estimated economic life.

The estimated useful lives range as follows:

Goodwill	-	20	years
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##### **2.6 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	- 25 % straight line
Fixtures & fittings	- 20 % straight line & 10% straight line
Computer equipment	- 25% straight line

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 Consolidated Statement of Comprehensive Income.

##### **2.7 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

##### **2.8 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.

## **N G LOGISTICS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017**

#### **2. Accounting policies (continued)**

##### **2.9 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 Consolidated 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 Group's cash management.

##### **2.10 Financial instruments**

The Group 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 related parties and investments in non-puttable ordinary shares.

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 Consolidated 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 Group would receive for the asset if it were to be sold at the balance sheet date.

##### **2.11 Creditors**

Short term 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

**2. Accounting policies (continued)**

**2.12 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 Consolidated 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 Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

**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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

**2.14 Operating leases**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

## **N G LOGISTICS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017**

#### **2. Accounting policies (continued)**

##### **2.15 Pensions**

###### **Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

##### **2.16 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

##### **2.17 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, 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 balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 balance sheet date.

# N G LOGISTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

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

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions made by the company and the risk of material adjustments has been carefully considered to ensure compliance with the requirements under FRS 102.

The most significant estimate made by management relates to the trade accruals. The accounts include a provision for such amounts based on management's best estimate of costs incurred but not yet invoiced.

### 4. Turnover

The whole of the turnover is attributable to the group's principal activity of freight forwarding.

All turnover arose within the United Kingdom.

### 5. Other operating income

	2017 £	2016 £
Income from joint venture	146,951	171,799
	<u>146,951</u>	<u>171,799</u>

### 6. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	78,482	77,627
Amortisation of goodwill	105,743	105,746
Auditor's remuneration	20,500	22,560
Exchange differences	22,326	(39,543)
Defined contribution pension cost	140,010	383,607
Profit on disposal of fixed assets	5,686	(20,551)
	<u>5,686</u>	<u>(20,551)</u>

# N G LOGISTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

### 7. Employees

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

	Group 2017 £	Group 2016 £
Wages and salaries	3,061,775	2,993,158
Social security costs	288,309	278,913
Cost of defined contribution scheme	140,010	383,607
	<u>3,490,094</u>	<u>3,655,678</u>

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

	2017 No.	2016 No.
Warehousing and forwarding staff	85	81
Administrative	10	10
	<u>95</u>	<u>91</u>

The Company has no employees other than the directors, who did not receive any remuneration (2016 - £NIL)

### 8. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	73,550	149,937
Company contributions to defined contribution pension schemes	30,000	273,792
	<u>103,550</u>	<u>423,729</u>

During the year retirement benefits were accruing to 3 directors (2016 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £123,269 (2016 - £136,656).

### 9. Interest payable and similar charges

	2017 £	2016 £
Bank interest payable	354	589
	<u>354</u>	<u>589</u>



# N G LOGISTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

### 10. Taxation

	2017 £	2016 £
<b>Corporation tax</b>		
Current tax on profits for the year	296,693	249,175
Adjustments in respect of previous periods	(172)	-
	<u>296,521</u>	<u>249,175</u>
<b>Total current tax</b>	<u>296,521</u>	<u>249,175</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	5,708	1,043
<b>Total deferred tax</b>	<u>5,708</u>	<u>1,043</u>
<b>Taxation on profit on ordinary activities</b>	<u>302,229</u>	<u>250,218</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.5% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>1,576,084</u>	<u>1,478,809</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.5% (2016 - 20%)	307,336	295,762
<b>Effects of:</b>		
Expenses not deductible for tax purposes	22,556	11,895
Adjustments to tax charge in respect of prior periods	(172)	(24,903)
Short term timing difference leading to an increase (decrease) in taxation	1,440	1,995
Other fixed asset differences	560	574
Group income	(28,653)	(34,360)
Origination and reversal of timing differences - deferred tax	1,489	1,043
Adjust closing deferred tax to average rate	(2,327)	(1,788)
<b>Total tax charge for the year</b>	<u>302,229</u>	<u>250,218</u>

# N G LOGISTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

### 10. Taxation (continued)

#### Factors that may affect future tax charges

At the Summer budget 2015 and the budget 2016, the government announced legislation setting the corporation tax main rate at 19% for the years starting 1 April 2017, 2018 and 2019 and at 17% for the year starting 1 April 2020.

### 11. Dividends

	2017 £	2016 £
Dividends	1,095,388	814,318
	<u>1,095,388</u>	<u>814,318</u>

### 12. Intangible assets

#### Group and Company

	Goodwill £
<b>Cost</b>	
At 1 October 2016	2,114,923
At 30 September 2017	<u>2,114,923</u>
<b>Amortisation</b>	
At 1 October 2016	1,403,289
Charge for the year	105,743
At 30 September 2017	<u>1,509,032</u>
<b>Net book value</b>	
At 30 September 2017	<u>605,891</u>
At 30 September 2016	<u>711,634</u>

**N G LOGISTICS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

**13. Tangible fixed assets**

**Group**

	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 October 2016	223,227	464,718	163,237	851,182
Additions	45,930	31,037	21,862	98,829
Disposals	(68,947)	(48,234)	(25,319)	(142,500)
At 30 September 2017	<u>200,210</u>	<u>447,521</u>	<u>159,780</u>	<u>807,511</u>
<b>Depreciation</b>				
At 1 October 2016	49,673	355,127	151,384	556,184
Charge for the year	47,571	21,414	9,497	78,482
Disposals	(35,664)	(48,234)	(25,319)	(109,217)
At 30 September 2017	<u>61,580</u>	<u>328,307</u>	<u>135,562</u>	<u>525,449</u>
<b>Net book value</b>				
At 30 September 2017	<u><u>138,630</u></u>	<u><u>119,214</u></u>	<u><u>24,218</u></u>	<u><u>282,062</u></u>
At 30 September 2016	<u><u>173,554</u></u>	<u><u>109,591</u></u>	<u><u>11,853</u></u>	<u><u>294,998</u></u>

# N G LOGISTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

### 14. Fixed asset investments

#### Group

	Investment in joint venture £
<b>Cost or valuation</b>	
At 1 October 2016	663,763
Revaluations	27,221
	<hr/>
At 30 September 2017	690,984
	<hr/>
<b>Net book value</b>	
At 30 September 2017	690,984
	<hr/> <hr/>
At 30 September 2016	663,763
	<hr/> <hr/>

#### Direct subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Norman Global Logistics Limited	Ordinary	100 %	Freight forwarding

#### Joint ventures and associates

The following were joint venture and associates of the Company:

Name	Class of shares	Holding	Principal activity
Norman Global Logistics Hong Kong Limited	Ordinary	50 %	Freight forwarding

The aggregate of the share capital and reserves as at 30 September 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Norman Global Logistics Limited	3,713,591	1,222,321
	<hr/>	<hr/>
	3,713,591	1,222,321
	<hr/> <hr/>	<hr/> <hr/>

**N G LOGISTICS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

**14. Fixed asset investments (continued)**

**Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 October 2016	<b>3,132,132</b>
At 30 September 2017	<b>3,132,132</b>
<b>Net book value</b>	
At 30 September 2017	<b>3,132,132</b>
At 30 September 2016 (as restated)	<b>3,132,132</b>

**15. Debtors**

	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Company 2017 £</b>	<b>Company 2016 £</b>
Trade debtors	<b>5,007,488</b>	4,199,492	-	-
Amounts owed by joint ventures and associated undertakings	<b>76,199</b>	3,648	-	-
Other debtors	<b>121,432</b>	123,364	-	35,184
Prepayments and accrued income	<b>136,305</b>	142,831	-	-
	<b>5,341,424</b>	4,469,335	-	35,184

**16. Cash and cash equivalents**

	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Company 2017 £</b>	<b>Company 2016 £</b>
Cash at bank and in hand	<b>2,050,732</b>	1,843,157	<b>6,295</b>	6,005
	<b>2,050,732</b>	1,843,157	<b>6,295</b>	6,005

**N G LOGISTICS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

**17. Creditors: Amounts falling due within one year**

	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Company 2017 £</b>	<b>Company 2016 £</b>
Trade creditors	5,598,471	5,260,396	-	-
Amounts owed to group undertakings	-	-	1,866,304	2,316,476
Corporation tax	168,502	105,538	31,254	-
Taxation and social security	79,424	81,381	-	-
Other creditors	450,999	194,240	450,760	194,240
Accruals and deferred income	523,693	375,502	-	-
	<u>6,821,089</u>	<u>6,017,057</u>	<u>2,348,318</u>	<u>2,510,716</u>

**18. Financial instruments**

	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Company 2017 £</b>	<b>Company 2016 £</b>
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	2,050,732	1,843,157	6,295	6,005
Financial assets that are debt instruments measured at amortised cost	5,205,119	4,326,504	-	35,184
	<u>7,255,851</u>	<u>6,169,661</u>	<u>6,295</u>	<u>41,189</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	(6,572,924)	(5,830,138)	(2,317,064)	(2,510,716)
	<u>(6,572,924)</u>	<u>(5,830,138)</u>	<u>(2,317,064)</u>	<u>(2,510,716)</u>

Financial assets measured at fair value through profit or loss comprise of cash at bank and in hand.

Financial assets measured at amortised cost comprise of trade and other debtors, and amounts owed by joint ventures and associated undertakings.

Financial liabilities measured at amortised cost comprise of trade and other creditors, and accruals and deferred income.

# N G LOGISTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

### 19. Deferred taxation

#### Group

	2017 £
At beginning of year	(10,132)
Charged to profit or loss	(5,708)
<b>At end of year</b>	<b><u>(15,840)</u></b>

The provision for deferred taxation is made up as follows:

	Group 2017 £
Accelerated capital allowances	(17,349)
Short term timing differences	1,509
	<b><u>(15,840)</u></b>

### 20. Share capital

	2017 £	2016 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
85,500 Ordinary shares of £0.01 each	<b><u>855</u></b>	<b><u>855</u></b>

### 21. Reserves

#### Capital redemption reserve

The capital redemption reserve represents the cumulative value of shares repurchased by the company.

#### Profit & loss account

The profit and loss account represents the cumulative profit available for distribution to shareholders.

# N G LOGISTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

### 22. Contingent liabilities

The company is a member of a group value added tax registration arrangement and is contingently liable for the unpaid value added tax of other members of the group registration. The liabilities at 30 September 2017 have been settled since the end of the financial period.

The company has given unlimited guarantee and debenture in support of its subsidiary company Norman Global Logistics Limited.

### 23. Pension commitments

The group operates a defined contribution 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 £110,008 (2016: £383,607).

Contributions totalling £12,387 (2016: £12,518) were payable to the fund at the balance sheet date and are included in creditors.

### 24. Commitments under operating leases

At 30 September 2017 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £	Group 2016 £
Not later than 1 year	411,843	445,895
Later than 1 year and not later than 5 years	719,238	871,479
Later than 5 years	95,960	121,255
	1,227,041	1,438,629

### 25. Transactions with directors

During the year the group paid dividends to the directors totalling £1,095,388 (2016: £814,318).

Rent of £27,000 was paid in the year (2016: £22,500) to the directors for the lease of one of the business premises.

The directors of the company are considered to comprise key management personnel. Disclosure of directors' remuneration is detailed within note 8 of the financial statements.

### 26. Related party transactions

Norman Global Logistics Hong Kong Ltd is a joint venture. At the year end a loan of £76,199 (2016: £3,648) was owed to the group from Norman Global Logistics Hong Kong Ltd and the group owed £92,674 (2016: £88,399) to Norman Global Logistics Hong Kong Ltd and this amount is included within trade creditors.



**N G LOGISTICS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

**27. Controlling party**

The company is controlled by the directors of the company by virtue of their shareholding. No one person has ultimate control of the company.