

N G LOGISTICS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

N G LOGISTICS LIMITED

COMPANY INFORMATION

| | |
|----------------------------|---|
| Directors | P D O'Brien G Dean M J Rue |
| Company secretary | G Dean |
| Registered number | 03664050 |
| Registered office | Reading Bridge House George Street Reading Berkshire RG1 8LS |
| Trading Address | Unit 1, The Griffin Centre Staines Road Feltham Middlesex TW14 0HS |
| Independent auditor | BHP LLP Chartered Accountants and Statutory Auditor 57-59 Saltergate Chesterfield S40 1UL |

N G LOGISTICS LIMITED

CONTENTS

| | Page |
|---|---------|
| Directors' Report | 1 - 2 |
| Group Strategic Report | 3 |
| Independent Auditor's Report | 4 - 6 |
| Consolidated Statement of Comprehensive Income | 7 |
| Consolidated Balance Sheet | 8 |
| Company Balance Sheet | 9 |
| Consolidated Statement of Changes in Equity | 10 |
| Company Statement of Changes in Equity | 11 |
| Consolidated Statement of Cash Flows | 12 |
| Consolidated Analysis of Net Debt | 13 |
| Notes to the Financial Statements | 14 - 28 |

N G LOGISTICS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors present their report and the financial statements for the year ended 30 September 2021.

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 £3,822,549 (2020 - £1,382,865).

Dividends amounting to £809,852 (2020: £391,652) 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 2021**

Auditor

The auditor, BHP LLP, 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.

.....
M J Rue

Director

Date: 21 June 2022

N G LOGISTICS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2021

Business review

The year ending September 2021 has been an outstanding year for the company, with continued growth in all our sea freight departments. Importing clients are still enjoying strong sales in all Homewares, DIY, and Garden Furniture sectors, arriving from Asia via our network of offices. Air freight departments have also shown strong increases in profit. EU shipments and Clearance functions post Brexit are also continuing to grow through 2022.

Principal risks and uncertainties

The directors are continuing to be vigilant to the risks of Covid-19, although business has been returning to normal in the UK, our shippers and partners in Asia and other areas are still experiencing localised "lock-downs" causing shipment delays and logistical challenges. As at the date of signing these financial statements, the group continues to trade at much higher levels, with clients still reporting strong order books. Based on this view, the directors believe the company is in a very strong position moving through 2022 and beyond.

The company has a committed and highly trained and motivated workforce, who are all striving to continue taking the company forward, and it enjoys long standing relationships with its domestic and international trading clients.

Financial key performance indicators

The forthcoming year promises to be of continued expansion, with strong commitments to sales and marketing.

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

.....
M J Rue

Director

Date: 21 June 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF N G LOGISTICS LIMITED

Opinion

We have audited the financial statements of N G Logistics Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2021, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 September 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 Auditor's 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

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 or 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.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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 or the Directors' Report.

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

- adequate accounting records have not been kept 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 set out 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.

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

Auditor's 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 Group financial statements

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of noncompliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

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 Auditor's Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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.

Adrian Staniforth (Senior Statutory Auditor)

for and on behalf of

BHP LLP

Chartered Accountants and Statutory Auditor

57-59 Saltergate

Chesterfield

S40 1UL

21 June 2022

N G LOGISTICS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

| | Note | 2021 £ | 2020 £ |
|---|-------------|---------------------|-------------------|
| Turnover | 4 | 53,168,545 | 25,928,028 |
| Cost of sales | | (44,078,105) | (19,749,108) |
| Gross profit | | 9,090,440 | 6,178,920 |
| Distribution costs | | (143,416) | (212,054) |
| Administrative expenses | | (5,124,324) | (4,645,191) |
| Other operating income | 5 | 115,745 | 100,475 |
| Operating profit | 6 | 3,938,445 | 1,422,150 |
| Share of profit of joint venture | | 631,836 | 236,628 |
| Total operating profit | | 4,570,281 | 1,658,778 |
| Interest receivable and similar income | 9 | 356 | 4,879 |
| Profit before taxation | | 4,570,637 | 1,663,657 |
| Tax on profit | 10 | (748,088) | (280,792) |
| Profit for the financial year | | 3,822,549 | 1,382,865 |
| Profit for the year attributable to: | | | |
| Owners of the parent Company | | 3,822,549 | 1,382,865 |
| | | 3,822,549 | 1,382,865 |
| Total comprehensive income for the year attributable to: | | | |
| Owners of the parent Company | | 3,822,549 | 1,382,865 |
| | | 3,822,549 | 1,382,865 |

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 14 to 28 form part of these financial statements.

N G LOGISTICS LIMITED
REGISTERED NUMBER: 03664050

CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2021

| | Note | 2021 £ | 2020 £ |
|--|------|------------------------|------------------------|
| Fixed assets | | | |
| Intangible assets | 12 | 182,907 | 288,653 |
| Tangible assets | 13 | 168,690 | 184,178 |
| Investments | 14 | 1,790,836 | 1,159,000 |
| | | <hr/> 2,142,433 | <hr/> 1,631,831 |
| Current assets | | | |
| Debtors: amounts falling due within one year | 15 | 9,859,492 | 4,466,793 |
| Cash at bank and in hand | 16 | 5,065,732 | 4,278,430 |
| | | <hr/> 14,925,224 | <hr/> 8,745,223 |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 17 | (10,320,650) | (6,646,501) |
| | | <hr/> | <hr/> |
| Net current assets | | 4,604,574 | 2,098,722 |
| | | <hr/> | <hr/> |
| Total assets less current liabilities | | 6,747,007 | 3,730,553 |
| Provisions for liabilities | | | |
| Deferred taxation | 19 | (12,901) | (9,144) |
| | | <hr/> | <hr/> |
| Net assets | | <u>6,734,106</u> | <u>3,721,409</u> |
| Capital and reserves | | | |
| Called up share capital | 20 | 855 | 855 |
| Capital redemption reserve | 21 | 145 | 145 |
| Profit and loss account | 21 | 6,733,106 | 3,720,409 |
| Equity attributable to owners of the parent | | <hr/> 6,734,106 | <hr/> 3,721,409 |
| Company | | <hr/> 6,734,106 | <hr/> 3,721,409 |
| | | <hr/> <u>6,734,106</u> | <hr/> <u>3,721,409</u> |

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

.....
M J Rue

Director

Date: 21 June 2022

The notes on pages 14 to 28 form part of these financial statements.

N G LOGISTICS LIMITED
REGISTERED NUMBER: 03664050

COMPANY BALANCE SHEET
AS AT 30 SEPTEMBER 2021

| | Note | 2021 £ | 2020 £ |
|--|------|--------------------|--------------------|
| Fixed assets | | | |
| Investments | 14 | 3,132,132 | 3,132,132 |
| | | <u>3,132,132</u> | <u>3,132,132</u> |
| Current assets | | | |
| Cash at bank and in hand | 16 | 7,102 | 7,118 |
| | | <u>7,102</u> | <u>7,118</u> |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 17 | (1,832,306) | (1,885,043) |
| | | <u>(1,832,306)</u> | <u>(1,885,043)</u> |
| Net current liabilities | | (1,825,204) | (1,877,925) |
| Total assets less current liabilities | | <u>1,306,928</u> | <u>1,254,207</u> |
| Net assets | | <u>1,306,928</u> | <u>1,254,207</u> |
| Capital and reserves | | | |
| Called up share capital | 20 | 855 | 855 |
| Capital redemption reserve | 21 | 145 | 145 |
| Profit and loss account | 21 | 1,305,928 | 1,253,207 |
| | | <u>1,306,928</u> | <u>1,254,207</u> |

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

.....
M J Rue
 Director

Date: 21 June 2022

The notes on pages 14 to 28 form part of these financial statements.

N G LOGISTICS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

| | Called up share capital £ | Capital redemption reserve £ | Profit and loss account £ | Total equity £ |
|-----------------------------|---------------------------------|---------------------------------------|---------------------------------|-------------------|
| At 1 October 2020 | 855 | 145 | 3,720,409 | 3,721,409 |
| Profit for the year | - | - | 3,822,549 | 3,822,549 |
| Dividends: Equity capital | - | - | (809,852) | (809,852) |
| At 30 September 2021 | 855 | 145 | 6,733,106 | 6,734,106 |

The notes on pages 14 to 28 form part of these financial statements.

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

| | Called up share capital £ | Capital redemption reserve £ | Profit and loss account £ | Total equity £ |
|-----------------------------|---------------------------------|---------------------------------------|---------------------------------|-------------------|
| At 1 October 2019 | 855 | 145 | 2,729,196 | 2,730,196 |
| Profit for the year | - | - | 1,382,865 | 1,382,865 |
| Dividends: Equity capital | - | - | (391,652) | (391,652) |
| At 30 September 2020 | 855 | 145 | 3,720,409 | 3,721,409 |

The notes on pages 14 to 28 form part of these financial statements.

N G LOGISTICS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

| | Called up share capital £ | Capital redemption reserve £ | Profit and loss account £ | Total equity £ |
|-----------------------------|---------------------------------|---------------------------------------|---------------------------------|-------------------|
| At 1 October 2020 | 855 | 145 | 1,253,207 | 1,254,207 |
| Profit for the year | - | - | 862,573 | 862,573 |
| Dividends: Equity capital | - | - | (809,852) | (809,852) |
| At 30 September 2021 | 855 | 145 | 1,305,928 | 1,306,928 |

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

| | Called up share capital £ | Capital redemption reserve £ | Profit and loss account £ | Total equity £ |
|-----------------------------|---------------------------------|---------------------------------------|---------------------------------|-------------------|
| At 1 October 2019 | 855 | 145 | 1,069,379 | 1,070,379 |
| Profit for the year | - | - | 575,480 | 575,480 |
| Dividends: Equity capital | - | - | (391,652) | (391,652) |
| At 30 September 2020 | 855 | 145 | 1,253,207 | 1,254,207 |

N G LOGISTICS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

| | 2021 £ | 2020 £ |
|---|------------------|------------------|
| Cash flows from operating activities | | |
| Profit for the financial year | 3,822,549 | 1,382,865 |
| Adjustments for: | | |
| Amortisation of intangible assets | 105,746 | 105,746 |
| Depreciation of tangible assets | 58,481 | 69,330 |
| Loss on disposal of tangible assets | - | 1,985 |
| Interest received | (356) | (4,879) |
| Taxation charge | 748,088 | 280,792 |
| (Increase) in debtors | (5,392,700) | (136,597) |
| Decrease in amounts owed by joint ventures | - | 77,978 |
| Increase in creditors | 2,958,835 | 419,439 |
| Share of operating (loss) in joint ventures | (631,836) | (236,628) |
| Corporation tax (paid) | (29,016) | (268,558) |
| Net cash generated from operating activities | 1,639,791 | 1,691,473 |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | (42,993) | (25,082) |
| Sale of tangible fixed assets | - | 48,468 |
| Interest received | 356 | 4,879 |
| Net cash from investing activities | (42,637) | 28,265 |
| Cash flows from financing activities | | |
| Dividends paid | (809,852) | (391,652) |
| Net cash used in financing activities | (809,852) | (391,652) |
| Net increase in cash and cash equivalents | 787,302 | 1,328,086 |
| Cash and cash equivalents at beginning of year | 4,278,430 | 2,950,344 |
| Cash and cash equivalents at the end of year | 5,065,732 | 4,278,430 |
| Cash and cash equivalents at the end of year comprise: | | |
| Cash at bank and in hand | 5,065,732 | 4,278,430 |
| | 5,065,732 | 4,278,430 |

The notes on pages 14 to 28 form part of these financial statements.

N G LOGISTICS LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

| | At 1 October 2020 £ | Cash flows £ | At 30 September 2021 £ |
|--------------------------|------------------------------------|-------------------------|---|
| Cash at bank and in hand | 4,278,430 | 787,302 | 5,065,732 |
| | <u>4,278,430</u> | <u>787,302</u> | <u>5,065,732</u> |

The notes on pages 14 to 28 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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 group 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 Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis for 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)

2.4 Going concern

The Directors have considered the impact of the global Covid-19 pandemic on the ability of the Group to continue trading for the foreseeable future. This review has included considering the impact of the pandemic to the date of signing the financial statements and updating financial projections and performing rigorous stress testing on these projections in respect of income and the company's supply chain. Based on this review and taken together with existing financing facilities the directors believe that the financial statements have been prepared appropriately on the going concern basis.

2.5 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.

2.6 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 |
|----------|---|----------|

2.7 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 | - 20% and 25% straight line |
| Fixtures & fittings | - 10% and 20% 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 profit or loss.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)

2.9 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 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.

2.11 Financial instruments

The Group only enters into basic financial instrument 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 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.

2.12 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 2021**

2. Accounting policies (continued)

2.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

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

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.

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.15 Operating leases

Rentals paid under operating leases are charged to profit or loss 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)

2.16 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 profit or loss 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.

2.17 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 profit or loss 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.

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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.

Goodwill is amortised over its useful economic life, currently estimated by management as being 20 years.

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issue such as the remaining life of the asset and projected disposal values.

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

| | 2021 £ | 2020 £ |
|------------------------|----------------|----------------|
| Other operating income | <u>115,745</u> | <u>100,475</u> |

6. Operating profit

The operating profit is stated after charging:

| | 2021 £ | 2020 £ |
|---|-----------|--------------|
| Depreciation of tangible fixed assets | 57,082 | 69,330 |
| Exchange differences | 36,176 | 40,757 |
| Auditors remuneration | 19,900 | 20,600 |
| Defined contribution pension cost | 266,230 | 151,684 |
| Amortisation of goodwill | 151,684 | 105,746 |
| (Profit) / loss on disposal of fixed assets | <u>-</u> | <u>1,985</u> |

N G LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

7. Employees

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

| | Group 2021 £ | Group 2020 £ | Company 2021 £ | Company 2020 £ |
|-------------------------------------|-----------------------------|--------------------|-------------------------------|----------------------|
| Wages and salaries | 2,976,341 | 2,699,548 | 26,107 | 46,132 |
| Social security costs | 306,000 | 274,740 | 1,169 | 1,420 |
| Cost of defined contribution scheme | 266,230 | 151,684 | 160,000 | - |
| | <u>3,548,571</u> | <u>3,125,972</u> | <u>187,276</u> | <u>47,552</u> |

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

| | 2021 No. | 2020 No. |
|----------------------------------|---------------------|-------------|
| Warehousing and forwarding staff | 82 | 73 |
| Administrative | 7 | 9 |
| | <u>89</u> | <u>82</u> |

8. Directors' remuneration

| | 2021 £ | 2020 £ |
|---|-----------------------|---------------|
| Directors' emoluments | 26,107 | 46,132 |
| Group contributions to defined contribution pension schemes | 160,000 | - |
| | <u>186,107</u> | <u>46,132</u> |

During the year retirement benefits were accruing to 3 directors (2020 - 3) in respect of defined contribution pension schemes.

9. Interest receivable

| | 2021 £ | 2020 £ |
|---------------------------|-------------------|--------------|
| Other interest receivable | <u>356</u> | <u>4,879</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

10. Taxation

| | 2021 £ | 2020 £ |
|--|----------------|----------------|
| Corporation tax | | |
| Current tax on profits for the year | 744,630 | 286,314 |
| Adjustments in respect of previous periods | (299) | - |
| | <u>744,331</u> | <u>286,314</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | 3,757 | (5,522) |
| | <u>748,088</u> | <u>280,792</u> |
| Taxation on profit on ordinary activities | | |

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

| | 2021 £ | 2020 £ |
|--|------------------|------------------|
| Profit on ordinary activities before tax | <u>4,570,637</u> | <u>1,663,657</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%) | 868,421 | 316,095 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 3,080 | 6,385 |
| Other fixed asset differences | 545 | (24,323) |
| Other adjustments | (105,064) | - |
| Group income | (21,991) | (19,090) |
| Adjust closing deferred tax to average rate | 3,097 | 1,725 |
| Total tax charge for the year | <u>748,088</u> | <u>280,792</u> |

N G LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

10. Taxation (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Dividends

| | 2021 £ | 2020 £ |
|-----------|----------------|----------------|
| Dividends | <u>809,852</u> | <u>391,652</u> |

12. Intangible assets

Group and Company

| | Goodwill £ |
|-------------------------------------|------------------|
| Cost | |
| At 1 October 2020 | 2,114,923 |
| At 30 September 2021 | <u>2,114,923</u> |
| Amortisation | |
| At 1 October 2020 | 1,826,270 |
| Charge for the year on owned assets | 105,746 |
| At 30 September 2021 | <u>1,932,016</u> |
| Net book value | |
| At 30 September 2021 | <u>182,907</u> |
| At 30 September 2020 | <u>288,653</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

13. Tangible fixed assets

Group and Company

| | Motor vehicles | Fixtures & fittings | Computer equipment | Total |
|-------------------------------------|----------------|---------------------|--------------------|----------------|
| | £ | £ | £ | £ |
| Cost or valuation | | | | |
| At 1 October 2020 | 90,478 | 472,588 | 174,112 | 737,178 |
| Additions | - | 27,724 | 15,269 | 42,993 |
| Disposals | - | (54,680) | - | (54,680) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 30 September 2021 | 90,478 | 445,632 | 189,381 | 725,491 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Depreciation | | | | |
| At 1 October 2020 | 23,756 | 376,717 | 152,527 | 553,000 |
| Charge for the year on owned assets | 23,220 | 21,583 | 13,678 | 58,481 |
| Disposals | - | (54,680) | - | (54,680) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 30 September 2021 | 46,976 | 343,620 | 166,205 | 556,801 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net book value | | | | |
| At 30 September 2021 | <u>43,502</u> | <u>102,012</u> | <u>23,176</u> | <u>168,690</u> |
| At 30 September 2020 | <u>66,722</u> | <u>95,871</u> | <u>21,585</u> | <u>184,178</u> |

N G LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

14. Fixed asset investments

Group and Company

| | Investment in joint ventures £ |
|--------------------------|---|
| Cost or valuation | |
| At 1 October 2020 | 1,159,000 |
| Revaluations | 631,836 |
| | <hr/> |
| At 30 September 2021 | <u><u>1,790,836</u></u> |

Company

| | Investment in subsidiary £ |
|--------------------------|---|
| Cost or valuation | |
| At 1 October 2020 | 3,132,132 |
| | <hr/> |
| At 30 September 2021 | <u><u>3,132,132</u></u> |

Direct subsidiary undertaking

The following was a direct subsidiary undertaking of the Company:

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

The aggregate of the share capital and reserves as at 30 September 2021 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

| Name | Aggregate of share capital and reserves | Profit/(Loss) |
|---------------------------------|--|----------------------|
| Norman Global Logistics Limited | <u>8,431,710</u> | <u>3,299,042</u> |

N G LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Joint ventures and associates

The following was an indirect subsidiary undertaking of the Company:

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

15. Debtors

| | Group 2021 £ | Group 2020 £ | Company 2021 £ | Company 2020 £ |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Trade debtors | 9,337,065 | 4,095,875 | - | - |
| Amounts owed by joint ventures and associated undertakings | 3,648 | 3,648 | - | - |
| Other debtors | 161,512 | 93,545 | - | - |
| Prepayments and accrued income | 357,267 | 273,725 | - | - |
| | <u>9,859,492</u> | <u>4,466,793</u> | <u>-</u> | <u>-</u> |

16. Cash and cash equivalents

| | Group 2021 £ | Group 2020 £ | Company 2021 £ | Company 2020 £ |
|--------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Cash at bank and in hand | <u>5,065,732</u> | <u>4,278,430</u> | <u>7,102</u> | <u>7,118</u> |

17. Creditors: Amounts falling due within one year

| | Group 2021 £ | Group 2020 £ | Company 2021 £ | Company 2020 £ |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Trade creditors | 8,456,361 | 5,614,511 | - | - |
| Amounts owed to group undertakings | - | - | 1,519,665 | 1,841,085 |
| Corporation tax | 895,401 | 180,086 | 311,881 | 43,198 |
| Other taxation and social security | 165,492 | 86,308 | - | - |
| Other creditors | 760 | 760 | 760 | 760 |
| Accruals and deferred income | 802,636 | 764,836 | - | - |
| | <u>10,320,650</u> | <u>6,646,501</u> | <u>1,832,306</u> | <u>1,885,043</u> |

N G LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

18. Financial instruments

| | Group 2021 £ | Group 2020 £ | Company 2021 £ | Company 2020 £ |
|---|-----------------------------|--------------------|-------------------------------|----------------------|
| Financial assets | | | | |
| Financial assets measured at fair value through profit or loss | 5,065,732 | 4,278,430 | 7,102 | 7,118 |
| Financial assets that are debt instruments measured at amortised cost | 9,859,492 | 4,099,523 | - | - |
| | <u>14,925,224</u> | <u>8,377,953</u> | <u>7,102</u> | <u>7,118</u> |
| Financial liabilities | | | | |
| Financial liabilities measured at amortised cost | <u>(9,258,987)</u> | <u>(6,380,107)</u> | <u>-</u> | <u>(1,841,845)</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.

19. Deferred taxation

Group

| | 2021 £ | 2020 £ |
|---------------------------|-------------------|----------------|
| At beginning of year | (9,144) | (14,666) |
| Charged to profit or loss | (3,757) | 5,522 |
| At end of year | <u>(12,901)</u> | <u>(9,144)</u> |

The provision for deferred taxation is made up as follows:

| | Group 2021 £ | Group 2020 £ |
|--------------------------------|-----------------------------|--------------------|
| Accelerated capital allowances | (15,195) | (12,099) |
| Short term timing differences | 2,294 | 2,955 |
| | <u>(12,901)</u> | <u>(9,144)</u> |

N G LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

20. Share capital

| | 2021 | 2020 |
|--|-------------------|-------------------|
| | £ | £ |
| Allotted, called up and fully paid | | |
| 85,500 (2020 - 85,500) Ordinary shares of £0.01 each | <u>855</u> | <u>855</u> |

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.

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 2021 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 £266,230 (2020: £151,684).

Contributions totalling £15,466 (2020: £15,557) were payable to the fund at the balance sheet date and are included in creditors.

24. Commitments under operating leases

At 30 September 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | Group | Group |
|--|-------------------------|-------------------------|
| | 2021 | 2020 |
| | £ | £ |
| Not later than 1 year | 492,849 | 490,592 |
| Later than 1 year and not later than 5 years | 1,050,439 | 1,495,213 |
| | <u>1,543,288</u> | <u>1,985,805</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

25. Related party transactions

Norman Global Logistics Hong Kong Ltd is a joint venture. At the year end a loan of £3,468 (2020: £3,468) was owed to the group from Norman Global Logistics Hong Kong Ltd and the group owed £47,750 (2020: £101,317) to Norman Global Logistics Hong Kong Ltd and this amount is included within trade creditors.

The entity has taken exemption from disclosing transactions between group member companies on the basis that such members are wholly owned subsidiaries.

26. 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.

27. Transactions with directors

During the year the group paid dividends to the directors totalling £809,852 (2020: £391,652).

Rent of £27,000 was paid in the year (2020: £27,000) 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.

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.