

Company Registration No. 04820501 (England and Wales)

**NEW WAY INTERNATIONAL LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

# NEW WAY INTERNATIONAL LIMITED

## COMPANY INFORMATION

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<b>Director</b>	N Prince
<b>Secretary</b>	R Singh
<b>Company number</b>	04820501
<b>Registered office</b>	Britannia House Pier Road Feltham London TW14 0TW
<b>Auditor</b>	Alliotts LLP Friary Court 13-21 High Street Guildford Surrey GU1 3DL

# NEW WAY INTERNATIONAL LIMITED

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# **NEW WAY INTERNATIONAL LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 MARCH 2021**

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The director presents the strategic report for the year to 31 March 2021.

### **Fair review of the business**

The results for the year and the financial position of the company are shown in the annexed financial statements.

The Director considers the key performance indicators to be turnover and the gross profit percentage.

The Director was pleased with the 19% increase in turnover although he noted the decrease in the gross profit percentage from 4.76% to 4.22%. Overall, he was satisfied with the overall group profit before tax of £2,873,638.

Whilst the company continues to invest its resources in the development of new markets, a Company under common share ownership, New Way Middle East FZE, has indicated that it will not seek repayment of amounts owed by the Company until the Company's financial situation has improved.

### **Financial risk management objectives and policies**

The company continues to deal in high value consumer products in a fast changing market with continuous technical development. The company is working to reduce the level of stocks and to turn stocks into sales more quickly which in turn will reduce exposure to falling prices in certain areas.

Serial numbers of all phones are recorded to provide a full audit trail of all stock purchased. Additional information is provided to HMRC as requested. Stringent controls are made on both payments of funds by electronic transfer and collection of debtor monies.

The key objective with all trading transactions is to provide customers with a first class service whilst balancing this against profitability. Pricing policies are determined by market forces and reference to specialist internet subscription websites. The company's sales team is in constant touch with other traders throughout the world and therefore have unit prices at their fingertips. The company continues to build and enhance its relationships and during the period established some promising new relationships.

During the current year the company has faced uncertainties arising from Covid 19 but has taken appropriate measures to safeguard profitability. The director is satisfied with the company's performance during this difficult period and is optimistic about the prospects for the future.

### **Key Performance indicators**

As referred to above, the director believes the key performance indicators to be turnover and the gross profit percentage.

In a Fast Moving Consumer Goods market, the gross margin remains under pressure but the director is taking steps to maintain margins, working carefully with the team..

The workforce continues to be highly motivated with a focus on meeting customer expectations.

### **Business Environment**

The industry remains highly competitive with the principal bar to entry being a high capital requirement coupled with regulatory control imposed by HMRC. New Way International Ltd however continues to seek new opportunities, at the same time doing all possible to test the veracity of new clients and, where possible, to insist on advance payments for transactions.

On behalf of the board

N Prince  
**Director**

# **NEW WAY INTERNATIONAL LIMITED**

## **DIRECTOR'S REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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The director presents his annual report and financial statements for the year ended 31 March 2021.

#### **Principal activities**

The principal activity of the company and group in the year under review is that of the wholesaling and internet distribution of mobile phones and accessories. The company continues to be a leading wholesaler of mobile phones and accessories selling both domestically and internationally.

#### **Results and dividends**

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £200,000. The director does not recommend payment of a further dividend.

#### **Director**

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

N Prince

#### **Auditor**

The auditor, Alliot's LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Statement of director's responsibilities**

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

**NEW WAY INTERNATIONAL LIMITED**

**DIRECTOR'S REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2021***

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On behalf of the board

N Prince  
**Director**

13 January 2022

# NEW WAY INTERNATIONAL LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF NEW WAY INTERNATIONAL LIMITED

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#### Qualified opinion

We have audited the financial statements of New Way International Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its 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 qualified opinion

Due to the coronavirus pandemic in March 2020 and subsequent lockdown we were not able to observe the counting of physical inventories at the end of the comparative year. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at 31 March 2020, which are included in the balance sheet at £9,784,099, by using other audit procedures. Therefore we cannot express an opinion on this area of the financial statements.

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and 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 director with respect to going concern are described in the relevant sections of this report.

# **NEW WAY INTERNATIONAL LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF NEW WAY INTERNATIONAL LIMITED**

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#### **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 director is 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.

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

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

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In respect solely of the limitation on our work relating to stock, described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been maintained.

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 strategic report and the director's report.

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

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

#### **Responsibilities of director**

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is responsible for assessing 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.



# **NEW WAY INTERNATIONAL LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF NEW WAY INTERNATIONAL LIMITED**

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#### **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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations, and
- understanding the design of the company's remuneration policies.

#### **Audit response to risks identified**

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- investigating any legal and professional expenses incurred throughout the period; and
- enquiring of management as to actual and potential litigation and claims.

## **NEW WAY INTERNATIONAL LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF NEW WAY INTERNATIONAL LIMITED**

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There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.

**Richard Hopes FCA (Senior Statutory Auditor)**  
**For and on behalf of Alliotts LLP**

13 January 2022

**Chartered Accountants**  
**Statutory Auditor**

Friary Court  
13-21 High Street  
Guildford  
Surrey  
GU1 3DL

# NEW WAY INTERNATIONAL LIMITED

## GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
<b>Turnover</b>	<b>3</b>	111,574,535	93,999,810
Cost of sales		(106,864,924)	(89,529,515)
<b>Gross profit</b>		4,709,611	4,470,295
Distribution costs		(545,359)	(560,254)
Administrative expenses		(1,525,983)	(2,759,136)
Other operating income		236,039	1,967
<b>Operating profit</b>	<b>4</b>	2,874,308	1,152,872
Interest payable and similar expenses	<b>8</b>	(670)	(1,627)
<b>Profit before taxation</b>		2,873,638	1,151,245
Tax on profit	<b>9</b>	-	188
<b>Profit for the financial year</b>	<b>21</b>	2,873,638	1,151,433

Profit for the financial year is all attributable to the owners of the parent company.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# NEW WAY INTERNATIONAL LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME

*FOR THE YEAR ENDED 31 MARCH 2021*

	2021 £	2020 £
Profit for the year	2,873,638	1,151,433
Other comprehensive income		
Currency translation differences	55	(92)
Total comprehensive income for the year	<u>2,873,693</u>	<u>1,151,341</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

# NEW WAY INTERNATIONAL LIMITED

## GROUP BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	12		64,697		100,739
<b>Current assets</b>					
Stocks	16	14,113,264		9,784,099	
Debtors	17	11,118,562		9,386,506	
Cash at bank and in hand		551,509		1,405,073	
		<u>25,783,335</u>		<u>20,575,678</u>	
<b>Creditors: amounts falling due within one year</b>	18	<u>(20,575,761)</u>		<u>(18,077,839)</u>	
<b>Net current assets</b>			<u>5,207,574</u>		<u>2,497,839</u>
<b>Net assets</b>			<u><u>5,272,271</u></u>		<u><u>2,598,578</u></u>
<b>Capital and reserves</b>					
Called up share capital	20		102		102
Profit and loss reserves	21		<u>5,272,169</u>		<u>2,598,476</u>
<b>Total equity</b>			<u><u>5,272,271</u></u>		<u><u>2,598,578</u></u>

The financial statements were approved and signed by the director and authorised for issue on 13 January 2022

N Prince  
Director

# NEW WAY INTERNATIONAL LIMITED

## COMPANY BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	12		64,697		100,739
Investments	13		15,390		15,390
			<u>80,087</u>		<u>116,129</u>
<b>Current assets</b>					
Stocks	16	13,088,996		9,784,099	
Debtors	17	11,893,953		9,463,354	
Cash at bank and in hand		432,174		1,319,307	
		<u>25,415,123</u>		<u>20,566,760</u>	
<b>Creditors: amounts falling due within one year</b>	18	(20,231,594)		(18,071,083)	
<b>Net current assets</b>			<u>5,183,529</u>		<u>2,495,677</u>
<b>Net assets</b>			<u>5,263,616</u>		<u>2,611,806</u>
<b>Capital and reserves</b>					
Called up share capital	20		102		102
Profit and loss reserves	21		5,263,514		2,611,704
<b>Total equity</b>			<u>5,263,616</u>		<u>2,611,806</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the period was £2,851,810 (2020 - £1,157,587 profit).

The financial statements were approved and signed by the director and authorised for issue on 13 January 2022

N Prince  
Director

Company Registration No. 04820501

# NEW WAY INTERNATIONAL LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
<b>Balance at 1 April 2019</b>		102	2,022,135	2,022,237
<b>Year ended 31 March 2020:</b>				
Profit for the year		-	1,151,433	1,151,433
Other comprehensive income:				
Currency translation differences		-	(92)	(92)
Total comprehensive income for the year		-	1,151,341	1,151,341
Dividends	10	-	(575,000)	(575,000)
<b>Balance at 31 March 2020</b>		102	2,598,476	2,598,578
<b>Year ended 31 March 2021:</b>				
Profit for the year		-	2,873,638	2,873,638
Other comprehensive income:				
Currency translation differences		-	55	55
Total comprehensive income for the year		-	2,873,693	2,873,693
Dividends	10	-	(200,000)	(200,000)
<b>Balance at 31 March 2021</b>		102	5,272,169	5,272,271

# NEW WAY INTERNATIONAL LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

**FOR THE YEAR ENDED 31 MARCH 2021**

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
<b>Balance at 1 April 2019</b>		102	2,029,117	2,029,219
<b>Year ended 31 March 2020:</b>				
Profit and total comprehensive income for the year		-	1,157,587	1,157,587
Dividends	10	-	(575,000)	(575,000)
<b>Balance at 31 March 2020</b>		102	2,611,704	2,611,806
<b>Year ended 31 March 2021:</b>				
Profit and total comprehensive income for the year		-	2,851,810	2,851,810
Dividends	10	-	(200,000)	(200,000)
<b>Balance at 31 March 2021</b>		102	5,263,514	5,263,616



# NEW WAY INTERNATIONAL LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	26		(826,264)		1,544,845
Interest paid			(670)		(1,627)
Income taxes (paid)/refunded			(567)		755
<b>Net cash (outflow)/inflow from operating activities</b>			<u>(827,501)</u>		<u>1,543,973</u>
<b>Investing activities</b>					
Purchase of tangible fixed assets		(4,001)		(17,417)	
<b>Net cash used in investing activities</b>			<u>(4,001)</u>		<u>(17,417)</u>
<b>Financing activities</b>					
Purchase of derivatives		177,883		(177,883)	
Dividends paid to equity shareholders		(200,000)		(575,000)	
<b>Net cash used in financing activities</b>			<u>(22,117)</u>		<u>(752,883)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>			<u>(853,619)</u>		<u>773,673</u>
Cash and cash equivalents at beginning of year			1,405,073		631,492
Effect of foreign exchange rates			55		(92)
<b>Cash and cash equivalents at end of year</b>			<u><u>551,509</u></u>		<u><u>1,405,073</u></u>

# NEW WAY INTERNATIONAL LIMITED

## COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	27		(860,345)		1,467,556
Interest paid			(670)		(1,610)
Income taxes (paid)/refunded			-		188
<b>Net cash (outflow)/inflow from operating activities</b>			<u>(861,015)</u>		<u>1,466,134</u>
<b>Investing activities</b>					
Purchase of tangible fixed assets		(4,001)		(17,417)	
<b>Net cash used in investing activities</b>			<u>(4,001)</u>		<u>(17,417)</u>
<b>Financing activities</b>					
Purchase of derivatives		177,883		(177,883)	
Dividends paid to equity shareholders		(200,000)		(575,000)	
<b>Net cash used in financing activities</b>			<u>(22,117)</u>		<u>(752,883)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>			<u>(887,133)</u>		<u>695,834</u>
Cash and cash equivalents at beginning of year			<u>1,319,307</u>		<u>623,473</u>
<b>Cash and cash equivalents at end of year</b>			<u><u>432,174</u></u>		<u><u>1,319,307</u></u>

# NEW WAY INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **1 Accounting policies**

#### **Company information**

New Way International Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Britannia House, Pier Road, Feltham, London, TW14 0TW. The company registration number is: 04820501.

The group consists of New Way International Limited and all of its subsidiaries.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Basis of consolidation**

The consolidated group financial statements consist of the financial statements of the parent company New Way International Ltd together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 March 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### **1.3 Going concern**

New Way Middle East FZE, a company under common share ownership, has indicated that it is willing to support the Company, by not seeking repayment of amounts owed, until the financial position improves. On this basis, the director considers that the going concern basis of accounting remains appropriate.

#### **1.4 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **1.5 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

# NEW WAY INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	25% reducing balance
Fixtures and fittings	25% reducing balance
Computers	25% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.6 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# NEW WAY INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# NEW WAY INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# NEW WAY INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### 1.11 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### 1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

#### 1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

# NEW WAY INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### 1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Creditors

Creditors are receivable once an invoice has been raised and the goods have been dispatched. Management use the goods delivered records to ascertain this.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Foreign currency

Where transactions occur in foreign currency they are translated into sterling at agreed monthly rates. Where balances at the year end are in foreign currencies they have been translated at the rate prevailing at the year end.



# NEW WAY INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2021 £	2020 £
<b>Turnover analysed by class of business</b>		
Sales	111,574,535	93,999,810
	<u>111,574,535</u>	<u>93,999,810</u>
	2021 £	2020 £
<b>Other significant revenue</b>		
Grants received	236,039	1,967
	<u>236,039</u>	<u>1,967</u>
	2021 £	2020 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	91,646,977	62,324,055
European Union	14,056,688	25,237,519
Middle and Far East	925,501	2,016,418
United States of America	4,945,369	4,421,818
	<u>111,574,535</u>	<u>93,999,810</u>

### 4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(1,343,830)	525,537
Government grants	(236,039)	(1,967)
Depreciation of owned tangible fixed assets	22,570	48,693
Loss on disposal of tangible fixed assets	17,473	-
Stocks impairment losses recognised or reversed	12,402	350,000
Operating lease charges	149,832	150,827
	<u>149,832</u>	<u>150,827</u>

### 5 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	25,000	25,000
	<u>25,000</u>	<u>25,000</u>

# NEW WAY INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Distribution	24	21	24	21
Sales and admin	27	20	27	19
Total	51	41	51	40

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	1,792,328	1,472,338	1,760,748	1,429,751
Social security costs	155,659	158,994	148,681	150,652
Pension costs	24,997	26,072	24,997	26,072
	1,972,984	1,657,404	1,934,426	1,606,475

### 7 Director's remuneration

	2021 £	2020 £
Remuneration for qualifying services	70,093	66,792
Company pension contributions to defined contribution schemes	1,313	1,135
	71,406	67,927

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2020 - 1).

### 8 Interest payable and similar expenses

	2021 £	2020 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	670	1,610
<b>Other finance costs:</b>		
Other interest	-	17
Total finance costs	670	1,627

# NEW WAY INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 9 Taxation

	2021 £	2020 £
<b>Current tax</b>		
Adjustments in respect of prior periods	-	(188)
	<u>          </u>	<u>          </u>

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	2,873,638	1,151,245
	<u>          </u>	<u>          </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	545,991	218,737
Tax effect of expenses that are not deductible in determining taxable profit	1,949	-
Tax effect of utilisation of tax losses not previously recognised	(550,397)	(218,737)
Other permanent differences	2,457	-
Under/(over) provided in prior years	-	(188)
	<u>          </u>	<u>          </u>
Taxation charge/(credit)	-	(188)
	<u>          </u>	<u>          </u>

### 10 Dividends

	2021 £	2020 £
Recognised as distributions to equity holders:		
Interim paid	200,000	575,000
	<u>          </u>	<u>          </u>

### 11 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2021 £	2020 £
In respect of:			
Stocks	16	12,402	350,000
		<u>          </u>	<u>          </u>
Recognised in:			
Cost of sales		12,402	350,000
		<u>          </u>	<u>          </u>

# NEW WAY INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 12 Tangible fixed assets

Group	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 April 2020	312,430	95,332	-	43,906	451,668
Additions	-	-	4,001	-	4,001
Disposals	-	(95,332)	-	-	(95,332)
At 31 March 2021	312,430	-	4,001	43,906	360,337
<b>Depreciation and impairment</b>					
At 1 April 2020	253,931	77,859	-	19,139	350,929
Depreciation charged in the year	14,954	-	658	6,958	22,570
Eliminated in respect of disposals	-	(77,859)	-	-	(77,859)
At 31 March 2021	268,885	-	658	26,097	295,640
<b>Carrying amount</b>					
At 31 March 2021	43,545	-	3,343	17,809	64,697
At 31 March 2020	58,499	17,473	-	24,767	100,739
<b>Company</b>					
	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 April 2020	312,430	95,332	-	43,906	451,668
Additions	-	-	4,001	-	4,001
Disposals	-	(95,332)	-	-	(95,332)
At 31 March 2021	312,430	-	4,001	43,906	360,337
<b>Depreciation and impairment</b>					
At 1 April 2020	253,931	77,859	-	19,139	350,929
Depreciation charged in the year	14,954	-	658	6,958	22,570
Eliminated in respect of disposals	-	(77,859)	-	-	(77,859)
At 31 March 2021	268,885	-	658	26,097	295,640
<b>Carrying amount</b>					
At 31 March 2021	43,545	-	3,343	17,809	64,697
At 31 March 2020	58,499	17,473	-	24,767	100,739

# NEW WAY INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 13 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	14	-	-	15,390	15,390
<b>Movements in fixed asset investments</b>					
<b>Company</b>					<b>Shares in subsidiaries £</b>
<b>Cost or valuation</b>					
At 1 April 2020 and 31 March 2021					15,390
<b>Carrying amount</b>					
At 31 March 2021					15,390
At 31 March 2020					15,390

### 14 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
New Way B.V.	Rotterdam Airportplein 22, 3045 AP in Rotterdam	Ordinary	100.00
New Way Associates Limited	Britannia House, Pier Road, Feltham, Middlesex, TW14 0TW	Ordinary	100.00
Ultimate Phoneshop Limited	Britannia House, Pier Road, Feltham, Middlesex, TW14 0TW	Ordinary	100.00

### 15 Financial instruments

	Group 2021 £	2020 £	Company 2021 £	2020 £
<b>Carrying amount of financial assets</b>				
Instruments measured at fair value through profit or loss	-	177,883	-	177,883

### 16 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Finished goods and goods for resale	14,113,264	9,784,099	13,088,996	9,784,099

# NEW WAY INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 17 Debtors

	Group 2021	2020	Company 2021	2020
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	11,073,235	9,156,725	10,713,564	9,156,723
Amounts owed by group undertakings	-	-	1,133,113	80,421
Derivative financial instruments	-	177,883	-	177,883
Other debtors	2,423	14,142	-	12,785
Prepayments and accrued income	42,904	37,756	47,276	35,542
	<u>11,118,562</u>	<u>9,386,506</u>	<u>11,893,953</u>	<u>9,463,354</u>

### 18 Creditors: amounts falling due within one year

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Trade creditors	19,664,496	17,592,104	19,325,477	17,591,332
Corporation tax payable	-	567	-	-
Other taxation and social security	449,001	388,147	448,174	387,202
Other creditors	113,863	79,483	113,863	79,483
Accruals and deferred income	348,401	17,538	344,080	13,066
	<u>20,575,761</u>	<u>18,077,839</u>	<u>20,231,594</u>	<u>18,071,083</u>

### 19 Retirement benefit schemes

	2021	2020
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>24,997</u>	<u>26,072</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 20 Share capital

	2021 Number	2020 Number	2021 £	2020 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary Shares of £1 each	<u>102</u>	<u>102</u>	<u>102</u>	<u>102</u>

# NEW WAY INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 21 Profit and loss reserves

	Group 2021 £	2020 £	Company 2021 £	2020 £
At the beginning of the year	2,598,476	2,022,135	2,611,704	2,029,117
Profit for the year	2,873,638	1,151,433	2,851,810	1,157,587
Dividends	(200,000)	(575,000)	(200,000)	(575,000)
Currency translation differences	55	(92)	-	-
At the end of the year	5,272,169	2,598,476	5,263,514	2,611,704

### 22 Financial commitments, guarantees and contingent liabilities

There is a Composite Company Unlimited Multilateral Guarantee given by New Way International Limited, New Way Associates Limited, New Way Accessories Limited, Chitter Chatter Limited and Superexcel Investments Limited, and an agreement over specific credit balances to cover any indebtedness to the bank. At the balance sheet date the bank was owed £906,756 (2020 - £1,020,599) by Superexcel Investments Limited and £50,000 (2020 - £Nil) by Chitter Chatter Limited. These agreements also secure against forward exchange contracts of up to \$1,200,000 and foreign currency options up to \$10,000,000.

### 23 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	-	324	-	324
	-	324	-	324

### 24 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	204,963	259,438

# NEW WAY INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 24 Related party transactions

(Continued)

#### Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Sales		Purchases	
	2021	2020	2021	2020
	£	£	£	£
<b>Group</b>				
Other related parties	8,621,428	4,979,000	15,990,614	12,847,552
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

<b>Company</b>				
Other related parties	8,621,428	4,979,000	15,990,614	12,847,552
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

	Rent payable	
	2021	2020
	£	£
<b>Group</b>		
Other related parties	143,214	143,214
	<u>          </u>	<u>          </u>

<b>Company</b>		
Other related parties	143,214	143,214
	<u>          </u>	<u>          </u>

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2021	2020
	£	£
<b>Group</b>		
Other related parties	18,259,293	16,724,107
	<u>          </u>	<u>          </u>

<b>Company</b>		
Other related parties	18,259,293	16,724,107
	<u>          </u>	<u>          </u>

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2021	2020
	Balance	Balance
	£	£
<b>Group</b>		
Other related parties	712,891	711,227
	<u>          </u>	<u>          </u>



# NEW WAY INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

<b>24</b>	<b>Related party transactions</b>	<b>(Continued)</b>	
	<b>Company</b>		
	Entities over which the company has control, joint control or significant influence	1,201,255	-
	Other related parties	712,891	711,227
		<u>          </u>	<u>          </u>
<b>25</b>	<b>Controlling party</b>		
	The ultimate controlling party is shareholder Mr M Singh.		
<b>26</b>	<b>Cash (absorbed by)/generated from group operations</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Profit for the year after tax	2,873,638	1,151,433
	<b>Adjustments for:</b>		
	Taxation charged/(credited)	-	(188)
	Finance costs	670	1,627
	Loss on disposal of tangible fixed assets	17,473	-
	Depreciation and impairment of tangible fixed assets	22,570	48,693
	<b>Movements in working capital:</b>		
	Increase in stocks	(4,329,165)	(1,737,328)
	Increase in debtors	(1,909,939)	(791,549)
	Increase in creditors	2,498,489	2,872,157
		<u>          </u>	<u>          </u>
	<b>Cash (absorbed by)/generated from operations</b>	<b>(826,264)</b>	<b>1,544,845</b>
		<u>          </u>	<u>          </u>

# NEW WAY INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 27 Cash (absorbed by)/generated from operations - company

	2021 £	2020 £
Profit for the year after tax	2,851,810	1,157,587
<b>Adjustments for:</b>		
Taxation charged/(credited)	-	(188)
Finance costs	670	1,610
Loss on disposal of tangible fixed assets	17,473	-
Depreciation and impairment of tangible fixed assets	22,570	48,693
<b>Movements in working capital:</b>		
Increase in stocks	(3,304,897)	(1,737,328)
Increase in debtors	(2,608,482)	(871,244)
Increase in creditors	2,160,511	2,868,426
<b>Cash (absorbed by)/generated from operations</b>	<b>(860,345)</b>	<b>1,467,556</b>

### 28 Analysis of changes in net funds - group

	1 April 2020 £	Cash flows £	Exchange rate £	31 March 2021 £
Cash at bank and in hand	1,405,073	(853,619)	55	551,509

### 29 Analysis of changes in net funds - company

	1 April 2020 £	Cash flows £	31 March 2021 £
Cash at bank and in hand	1,319,307	(887,133)	432,174

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