

Registration number: 01508443

**ANGLO PACIFIC FORWARDING LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**



## **ANGLO PACIFIC FORWARDING LIMITED**

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## **ANGLO PACIFIC FORWARDING LIMITED**

### **COMPANY INFORMATION**

**Director** S Shah

**Registered office** Anglo House  
Laxcon Close  
Drury Way  
London  
NW10 0TG

**Auditors** Hazlewoods LLP  
Windsor House  
Bayshill Road  
Cheltenham  
GL50 3AT

## ANGLO PACIFIC FORWARDING LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The director presents his strategic report and the consolidated financial statements for the year ended 31 December 2018.

#### Principal activity

The principal activity of the company is that of shipping and freight forwarding agents.

#### Fair review of the business

The director considers that the business has performed well during the period, achieving reasonable profits in a challenging environment and the financial position at the year end is considered to be satisfactory.

The results for the year, which are set out in the profit and loss account, show a pre tax loss of £19,658 (2017 - profit of £93,348). The group has tangible fixed assets including fixtures and fittings and motor vehicles valued in the financial statements at net book value amounting to £282,332 (2017 - £350,928) and trade debtors of £1,505,524 (2017 - £1,408,856). The group has trade creditors of £2,991,645 (2017 - £2,927,587) and payments on account of £748,843 (2017 - £743,296).

#### Key performance indicators

The directors are of the opinion that key performance indicators are important. They use a number of indicators to monitor and improve the development, performance and position of the business. Indicators are reviewed and altered to meet changes in the internal and external environments.

The company's key financial and other performance indicators during the year were as follows:

	Unit	2018	2017
Revenue	£'000	13,680	13,832
Cash at bank and in hand	£'000	368	536
Gross profit margin	%	30	30

The Group management hold regular meetings, enabling an accurate measurement of performance of the business. The bank balance is monitored on a monthly basis throughout the year, to ensure sufficient headroom is available.

#### Future developments

The external commercial environment is expected to be challenging in 2019, however the director is committed to driving the business forward in this difficult environment.

#### Principal risks and uncertainties

The management of the business and the execution of the group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to competition from both national and local providers of shipping services and the general state of the shipping and freight forwarding market.

The group is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to liquidity risk. The risk of fluctuation in foreign currency exchange rates deflating or inflating the group's foreign currency assets and liabilities is mitigated through the use of forward contracts and bank accounts held in foreign currencies.

## ANGLO PACIFIC FORWARDING LIMITED

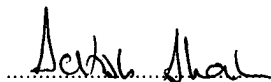
### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

#### Going concern

In accordance with the Financial Reporting Council's 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009' the directors of all companies are now required to provide disclosures regarding the adoption of the going concern basis of accounting.

The group has considerable financial resources available and continues to trade profitably generating cash. The director has prepared forecasts for the next 12 months that indicate that these trends will continue. The director therefore has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future and has continued to adopt the going concern basis in preparing the financial statements.

Approved by the director on 05/03/19 and signed on its behalf by:



S Shah  
Director

## ANGLO PACIFIC FORWARDING LIMITED

### DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The director presents his report and the consolidated financial statements for the year ended 31 December 2018.

#### Director of the company

The director who held office during the year was as follows:

S Shah

#### Dividends

The director recommends a final dividend payment of £Nil (2017 - £nil) be made in respect of the financial year ended 31 December 2018.


#### Disclosure of information to the auditor

The director has taken the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information. The director confirms that there is no relevant information that he knows of and of which he knows the auditor is unaware.

#### Reappointment of auditors

Hazlewoods have expressed their willingness to continue in office.

Approved by the director on 05/09/19 and signed on its behalf by:



S Shah  
Director

## **ANGLO PACIFIC FORWARDING LIMITED**

### **STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Director's Report, Strategic Report and the consolidated 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 and Company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **ANGLO PACIFIC FORWARDING LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANGLO PACIFIC FORWARDING LIMITED**

#### **Opinion**

We have audited the financial statements of Anglo Pacific Forwarding Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2018 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

#### **Other information**

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matter 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 Strategic Report and Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and



## ANGLO PACIFIC FORWARDING LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANGLO PACIFIC FORWARDING LIMITED

- the Strategic Report and Director's Report have been prepared in accordance with applicable legal requirements.

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

In the light of our 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 the director

As explained more fully in the Statement of Director's Responsibilities, set out on page 5, 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 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 director either intends to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

#### 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.

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

  
Scott Lawrence (Senior Statutory Auditor)  
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House  
Bayshill Road  
Cheltenham  
GL50 3AT

Date: 8 August 2019

**ANGLO PACIFIC FORWARDING LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Turnover	3	13,679,714	13,832,302
Cost of sales		<u>(9,560,704)</u>	<u>(9,741,268)</u>
Gross profit		4,119,010	4,091,034
Administrative expenses		<u>(4,134,095)</u>	<u>(3,996,284)</u>
Operating (loss)/profit	4	(15,085)	94,750
Interest payable and similar charges		<u>(4,573)</u>	<u>(1,402)</u>
(Loss)/profit before tax		(19,658)	93,348
Taxation	8	<u>1,938</u>	<u>(19,618)</u>
(Loss)/profit for the financial year		<u>(17,720)</u>	<u>73,730</u>
Total comprehensive income for the year		<u><u>(17,720)</u></u>	<u><u>73,730</u></u>

The above results were derived from continuing operations.

The group has no other comprehensive income for the year.

The notes on pages 14 to 26 form an integral part of these financial statements.

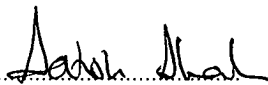
**ANGLO PACIFIC FORWARDING LIMITED**

(REGISTRATION NUMBER: 01508443)

**CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	9	116,992	72,396
Tangible assets	10	<u>282,332</u>	<u>350,928</u>
		<u>399,324</u>	<u>423,324</u>
<b>Current assets</b>			
Stocks	12	148,947	89,160
Debtors	13	4,516,678	4,390,852
Cash at bank and in hand		<u>367,516</u>	<u>535,536</u>
		5,033,141	5,015,548
Creditors: Amounts falling due within one year	14	<u>(4,011,943)</u>	<u>(3,973,685)</u>
Net current assets		<u>1,021,198</u>	<u>1,041,863</u>
Total assets less current liabilities		1,420,522	1,465,187
Creditors: Amounts falling due after more than one year	14	(34,911)	(42,234)
Provisions for liabilities	8	<u>(744)</u>	<u>(20,366)</u>
Net assets		<u>1,384,867</u>	<u>1,402,587</u>
<b>Capital and reserves</b>			
Called up share capital	17	134	134
Share premium reserve		38,679	38,679
Capital redemption reserve		70,000	70,000
Merger reserve		24,430	24,430
Retained earnings		<u>1,251,624</u>	<u>1,269,344</u>
Total equity		<u>1,384,867</u>	<u>1,402,587</u>

Approved and authorised by the director on 05/08/19



S Shah  
Director

The notes on pages 14 to 26 form an integral part of these financial statements.

**ANGLO PACIFIC FORWARDING LIMITED**

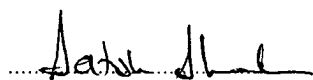
(REGISTRATION NUMBER: 01508443)

**COMPANY BALANCE SHEET AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Investments	11	154,751	154,751
<b>Current assets</b>			
Debtors	13	2,725,000	2,725,000
Cash at bank and in hand		-	11
		<u>2,725,000</u>	<u>2,725,011</u>
Creditors: Amounts falling due within one year	14	<u>(2,418,328)</u>	<u>(2,425,215)</u>
Net current assets		<u>306,672</u>	<u>299,796</u>
Net assets		<u>461,423</u>	<u>454,547</u>
<b>Capital and reserves</b>			
Called up share capital	17	134	134
Share premium reserve		38,679	38,679
Capital redemption reserve		178,000	178,000
Merger reserve		29,980	29,980
Retained earnings		<u>214,630</u>	<u>207,754</u>
Total equity		<u>461,423</u>	<u>454,547</u>

The company made a profit after tax for the financial year of £6,876 (2017 - profit of £21,400).

Approved and authorised by the director on 05/08/19



S Shah  
Director

The notes on pages 14 to 26 form an integral part of these financial statements.

**ANGLO PACIFIC FORWARDING LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018**

	Share capital and other non- distributable reserves (analysed below) £	Retained earnings £	Total £
At 1 January 2017	133,243	1,195,614	1,328,857
Profit for the year	-	73,730	73,730
At 31 December 2017	<u>133,243</u>	<u>1,269,344</u>	<u>1,402,587</u>
At 1 January 2018	133,243	1,269,344	1,402,587
Loss for the year	-	(17,720)	(17,720)
At 31 December 2018	<u>133,243</u>	<u>1,251,624</u>	<u>1,384,867</u>

**Analysis of share capital and other non-distributable reserves**

	Share capital £	Share premium £	Capital redemption reserve £	Merger reserve £	Total £
At 1 January 2017, 31 December 2017 and 31 December 2018	<u>134</u>	<u>38,679</u>	<u>70,000</u>	<u>24,430</u>	<u>133,243</u>

The notes on pages 14 to 26 form an integral part of these financial statements.

**ANGLO PACIFIC FORWARDING LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018**

	Share capital and other non- distributable reserves (analysed below) £	Retained earnings £	Total £
At 1 January 2017	246,793	186,354	433,147
Profit for the year	-	21,400	21,400
At 31 December 2017	<u>246,793</u>	<u>207,754</u>	<u>454,547</u>
At 1 January 2018	246,793	207,754	454,547
Profit for the year	-	6,876	6,876
At 31 December 2018	<u>246,793</u>	<u>214,630</u>	<u>461,423</u>

**Analysis of share capital and other non-distributable reserves**

	Share capital £	Share premium £	Capital redemption reserve £	Merger reserve £	Total £
At 1 January 2017, 31 December 2017 and 31 December 2018	<u>134</u>	<u>38,679</u>	<u>178,000</u>	<u>29,980</u>	<u>246,793</u>

The notes on pages 14 to 26 form an integral part of these financial statements.

# **ANGLO PACIFIC FORWARDING LIMITED**

## **CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
(Loss)/profit for the year		(17,720)	73,730
Adjustments to cash flows from non-cash items			
Depreciation and amortisation		169,431	227,720
Profit on disposal of property plant and equipment		(4,198)	(38,874)
Loss on disposal of intangible assets		33,918	-
Finance costs		4,573	1,402
Income tax expense		(1,938)	19,618
		<u>184,066</u>	<u>283,596</u>
Working capital adjustments			
Increase in inventories		(59,787)	(730)
(Increase)/decrease in trade and other receivables		(125,826)	94,615
Increase in trade and other payables		<u>25,083</u>	<u>47,482</u>
Cash generated from operations		23,536	424,963
Income taxes paid		<u>(31,754)</u>	<u>(80,138)</u>
Net cash flow from operating activities		<u>(8,218)</u>	<u>344,825</u>
<b>Cash flows from investing activities</b>			
Acquisitions of property plant and equipment		(27,781)	(8,716)
Proceeds from sale of property plant and equipment		19,392	55,276
Acquisition of intangible assets	9	<u>(94,978)</u>	<u>(77,707)</u>
Net cash flows from investing activities		<u>(103,367)</u>	<u>(31,147)</u>
<b>Cash flows from financing activities</b>			
Interest paid		(4,573)	(1,402)
Payments to finance lease creditors		<u>(51,862)</u>	<u>(19,336)</u>
Net cash flows from financing activities		<u>(56,435)</u>	<u>(20,738)</u>
Net (decrease)/increase in cash and cash equivalents		(168,020)	292,940
Cash and cash equivalents at 1 January		<u>535,536</u>	<u>242,596</u>
Cash and cash equivalents at 31 December		<u><u>367,516</u></u>	<u><u>535,536</u></u>

The notes on pages 14 to 26 form an integral part of these financial statements.

## **ANGLO PACIFIC FORWARDING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **1 General information**

The company is incorporated and domiciled in England and Wales.

The address of its registered office is:

Anglo House  
Laxcon Close  
Drury Way  
London  
NW10 0TG

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pound Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

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

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2018.

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

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the Group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the Company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.



## **ANGLO PACIFIC FORWARDING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **Going concern**

The Group has satisfactory financial resources available and continues to trade profitably generating cash. The director has prepared forecasts for the next 12 months that indicate that these trends will continue. The director therefore has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

#### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### **Judgements and estimation uncertainty**

These financial statements do not contain any significant judgements or estimation uncertainty.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts. The Group recognises revenue at such time that containers are loaded.

#### **Foreign currency transactions and balances**

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

#### **Tax**

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

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Group operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements on unused tax losses or tax credits in the Group. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

#### **Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

## ANGLO PACIFIC FORWARDING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

#### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Short leasehold land and buildings	over the lease term
Fixtures, fittings and equipment	10% - 25% of cost per annum
Motor vehicles	25% of cost per annum

#### Intangible assets

Intangible assets are stated in the balance sheet at cost, less any subsequent accumulated amortisation.

#### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Website	20% of cost per annum

#### Investments

Fixed asset investments are stated at historical cost less provision for any diminution in value. Dividends on equity securities are recognised in income when receivable.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### Trade receivables

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

#### Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out method.

At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

#### Trade Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

#### Provisions

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

## **ANGLO PACIFIC FORWARDING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### **Dividends**

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

## ANGLO PACIFIC FORWARDING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

#### Financial instruments

##### **Classification**

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

##### **Recognition and measurement**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### **Impairment**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

# **ANGLO PACIFIC FORWARDING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

### **3 Turnover**

The analysis of the Group's turnover for the year from continuing operations is as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Rendering of services	<u>13,679,714</u>	<u>13,832,302</u>

The analysis of the Group's turnover for the year by market is as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
United Kingdom	1,643,731	458,838
Other EU Countries	651,618	543,840
United States of America	2,386,535	2,440,336
Australasia	5,489,150	6,405,010
Rest of the world	<u>3,508,680</u>	<u>3,984,278</u>
	<u>13,679,714</u>	<u>13,832,302</u>

### **4 Operating profit**

Arrived at after charging/(crediting)

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Depreciation expense	152,967	227,720
Amortisation expense	16,464	-
Loss on disposal of intangible assets	33,918	-
Gain on tangible fixed assets	(4,198)	(38,874)
Operating lease expense - property	773,008	597,457
Operating lease expense - plant and machinery	2,126	6,645
	<u>974,285</u>	<u>792,948</u>

### **5 Auditors' remuneration**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Audit of the financial statements	3,150	3,150
<b>Other fees to auditors</b>		
The audit of the company's subsidiaries' annual accounts	9,000	9,000
Taxation compliance services	<u>6,500</u>	<u>7,000</u>
	<u>15,500</u>	<u>16,000</u>
	<u>18,650</u>	<u>19,150</u>

# **ANGLO PACIFIC FORWARDING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

### **6 Staff costs**

The aggregate payroll costs (including director's remuneration) were as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,786,012	1,840,849
Social security costs	208,185	220,031
Pension costs, defined contribution scheme	<u>32,447</u>	<u>29,490</u>
	<u><u>2,026,644</u></u>	<u><u>2,090,370</u></u>

The average number of persons employed by the group (including the director) during the year, analysed by category was as follows:

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
Administration and support	21	24
Sales, marketing and distribution	<u>51</u>	<u>53</u>
	<u><u>72</u></u>	<u><u>77</u></u>

### **7 Directors' remuneration**

The director's remuneration for the year was as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Remuneration	61,897	65,670
Contributions paid to money purchase schemes	<u>2,530</u>	<u>3,580</u>
	<u><u>64,427</u></u>	<u><u>69,250</u></u>

During the year the number of directors who were receiving benefits was as follows:

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
Accruing benefits under money purchase pension scheme	<u><u>1</u></u>	<u><u>1</u></u>

# ANGLO PACIFIC FORWARDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 8 Taxation

Tax charged/(credited) in the profit and loss account

	2018 £	2017 £
<b>Current taxation</b>		
UK corporation tax	12,802	31,754
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>(14,740)</u>	<u>(12,136)</u>
Tax (credit)/expense in the income statement	<u><u>(1,938)</u></u>	<u><u>19,618</u></u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2017 - higher than the standard rate of corporation tax in the UK) of 19% (2017 - 19.25%).

The differences are reconciled below:

	2018 £	2017 £
(Loss)/profit before tax	<u>(19,658)</u>	<u>93,348</u>
Corporation tax at standard rate	(3,735)	17,969
Non-deductible expenses	63	55
Deferred tax expense (credit) relating to changes in tax rates or laws	<u>1,734</u>	<u>1,594</u>
Total tax (credit)/charge	<u><u>(1,938)</u></u>	<u><u>19,618</u></u>

### Deferred tax

#### Group

Deferred tax assets and liabilities

	Liability / (Asset) £
<b>2018</b>	
Fixed asset timing differences	5,904
Other timing differences	<u>(5,160)</u>
	<u><u>744</u></u>

	Liability / (Asset) £
<b>2017</b>	
Fixed asset timing differences	27,620
Other timing differences	<u>(12,136)</u>
	<u><u>15,484</u></u>

**ANGLO PACIFIC FORWARDING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**9 Intangible assets**

**Group**

	<b>Website £</b>
<b>Cost</b>	
At 1 January 2018	77,707
Additions	94,978
Disposals	<u>(48,082)</u>
At 31 December 2018	<u>124,603</u>
<b>Amortisation</b>	
At 1 January 2018	5,311
Amortisation charge	16,464
Amortisation eliminated on disposals	<u>(14,164)</u>
At 31 December 2018	<u>7,611</u>
<b>Carrying amount</b>	
At 31 December 2018	<u>116,992</u>
At 31 December 2017	<u>72,396</u>

**10 Tangible assets**

**Group**

	<b>Furniture, fittings and equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 January 2018	795,836	329,888	1,125,724
Additions	31,146	68,418	99,564
Disposals	<u>(273,295)</u>	<u>(129,875)</u>	<u>(403,170)</u>
At 31 December 2018	<u>553,687</u>	<u>268,431</u>	<u>822,118</u>
<b>Depreciation</b>			
At 1 January 2018	571,128	203,668	774,796
Charge for the year	102,982	49,984	152,966
Eliminated on disposal	<u>(273,295)</u>	<u>(114,681)</u>	<u>(387,976)</u>
At 31 December 2018	<u>400,815</u>	<u>138,971</u>	<u>539,786</u>
<b>Carrying amount</b>			
At 31 December 2018	<u>152,872</u>	<u>129,460</u>	<u>282,332</u>
At 31 December 2017	<u>224,708</u>	<u>126,220</u>	<u>350,928</u>



# **ANGLO PACIFIC FORWARDING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

### **10 Tangible assets (continued)**

#### **Hire purchase assets**

Included within the net book value of tangible fixed assets is £65,862 (2017 - £25,068) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £35,777 (2017 - £6,996).

### **11 Investments**

#### **Company**

	2018 £	2017 £
Investments in subsidiaries	<u>154,751</u>	<u>154,751</u>

#### **Details of undertakings**

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2018	2017
Subsidiary undertakings				
Anglo Pacific International Plc	England and Wales	Ordinary	100%	100%
Anglo Pacific (Fine Art) Limited	England and Wales	Ordinary	100%	100%
Anglo Pacific Shipping Limited	England and Wales	Ordinary	100%	100%

The principal activity of Anglo Pacific International Plc is shipping and freight forwarding agents.

The principal activity of Anglo Pacific (Fine Art) Limited is dormant.

The principal activity of Anglo Pacific Shipping Limited is dormant.

### **12 Stocks**

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Packaging and consumables	<u>148,947</u>	<u>89,160</u>	<u>-</u>	<u>-</u>

**ANGLO PACIFIC FORWARDING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**13 Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	1,505,524	1,408,856	-	-
Receivables from group undertakings	2,725,000	2,725,000	2,725,000	2,725,000
Other debtors	228,202	211,597	-	-
Prepayments	57,952	40,517	-	-
Deferred tax assets	-	4,882	-	-
	<u>4,516,678</u>	<u>4,390,852</u>	<u>2,725,000</u>	<u>2,725,000</u>

**14 Creditors**

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Due within one year</b>					
Loans and borrowings	15	63,013	35,769	-	-
Trade creditors		2,991,645	2,927,587	-	-
Amounts due to group undertakings	19	-	-	2,412,216	2,417,115
Payments received on account		748,843	743,296	-	-
Social security and other taxes		59,593	57,095	-	-
Outstanding defined contribution pension costs		30,352	30,761	-	-
Other creditors		-	9,271	-	-
Accrued expenses		105,695	138,152	4,499	3,000
Corporation tax liability	8	<u>12,802</u>	<u>31,754</u>	<u>1,613</u>	<u>5,100</u>
		<u>4,011,943</u>	<u>3,973,685</u>	<u>2,418,328</u>	<u>2,425,215</u>
<b>Due after one year</b>					
Loans and borrowings	15	<u>34,911</u>	<u>42,234</u>	<u>-</u>	<u>-</u>

# **ANGLO PACIFIC FORWARDING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

### **15 Loans and borrowings**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Current loans and borrowings</b>				
Finance lease liabilities	<u>63,013</u>	<u>35,769</u>	<u>-</u>	<u>-</u>

#### **Intercompany loans**

Intercompany loans are repayable upon demand and are denominated in £ with a nominal interest rate of nil%.

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Non-current loans and borrowings</b>				
Finance lease liabilities	<u>34,911</u>	<u>42,234</u>	<u>-</u>	<u>-</u>

The finance lease liability is secured on the asset to which it relates.

### **16 Pension and other schemes**

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £32,447 (2017 - £29,490).

Contributions totalling £30,352 (2017 - £30,761) were payable to the scheme at the end of the year and are included in creditors.

### **17 Share capital**

#### **Allotted, called up and fully paid shares**

	<b>No.</b>	<b>2018</b>	<b>No.</b>	<b>2017</b>
		<b>£</b>		<b>£</b>
A ordinary shares of £0.01 each	12,000	120	12,000	120
B ordinary shares of £0.01 each	<u>1,407</u>	<u>14</u>	<u>1,407</u>	<u>14</u>
	<u>13,407</u>	<u>134</u>	<u>13,407</u>	<u>134</u>

All shares rank pari passu.

## ANGLO PACIFIC FORWARDING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

#### 18 Obligations under leases

##### Group

##### Operating leases

The total of future minimum lease payments is as follows:

	2018 £	2017 £
Not later than one year	553,004	726,564
Later than one year and not later than five years	199,434	628,598
	<u>752,438</u>	<u>1,355,162</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £773,008 (2017 - £597,457).

#### 19 Related party transactions

The company advanced funds to its immediate and ultimate parent company, Anglo Pacific Holdings Limited. At the year end the company is owed £2,725,000 (2016 - £2,725,000). This loan is interest free and there are no fixed terms of repayment.

The company has taken advantage of the exemption in FRS 102 from disclosing transactions with other members of the group.

#### 20 Parent and ultimate parent undertaking

The ultimate controlling party is Rishi Mehta.