

Company Registration No. 02883060 (England and Wales)

TRANSGLOBAL EXPRESS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019



Horner Downey & Company Limited
Chartered Accountants
10 Stadium Court
Stadium Road
Bromborough
Wirral
CH62 3RP

TRANSGLOBAL EXPRESS LIMITED

COMPANY INFORMATION

Director	Mr. L. M. Archer
Company number	02883060
Registered office	Unit 5 The Gateway Old Hall Road Wirral International Business Park Bromborough Wirral CH62 3NX
Auditor	Horner Downey & Company Limited 10 Stadium Court Stadium Road Bromborough Wirral CH62 3RP

TRANSGLOBAL EXPRESS LIMITED

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TRANSGLOBAL EXPRESS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The director's aim is to present a balanced and comprehensive review of the development and performance of the business during the year and its position at the year end. This review is consistent with the size and non-complex nature of the business and is written in the context of the risk and uncertainties faced.

As a clearing house for delivery services, the company continues to offer worldwide forwarding and courier services. Services offered include parcel delivery, international courier, air freight, sea freight, packaging supplies and sending dangerous goods.

The company's mission is to provide high-quality, value for money, worldwide delivery services using only the top carriers. Looking after customer's needs has been, and always will be, their primary goal and key to their continued success.

The company is located in Bromborough, operating in a purpose built combined office and warehouse facility. There is also an office located in London.

Transglobal Express Limited reaches customers online via www.transglobalexpress.co.uk.

Customers may also reach the company via telephone, letter, online chat and walk ins.

The key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover and gross margin.

The turnover of the company over the last five years was as follows:

	2019	2018	2017	2016	2015
	£	£	£	£	£
Turnover	21,931,826	21,554,246	22,545,873	20,010,995	17,218,856

The company has shown growth over the last five years and this has left the company in a good financial position, in line with expectations.

Sales have remained steady in recent years, despite strong competition in the market.

Activity is seasonal and as such sales are highest in the run up to Christmas.

Staff numbers have remained consistent this year, although salaries have increased due to departmental changes.

The gross profit percentage has increased to 26.07% in 2019 from 21.71% in 2018, due to an increase in their prices during 2019.

The company has continued to develop in-house software and web design.

The director has considered the principal risks and uncertainties facing the company, which are set out in the Director's Report. These risks remain broadly the same as in the previous year.

There have been no significant important events to report after the balance sheet date.

The director is pleased with the progress of the related party company during the year.

On behalf of the board



Mr. L. M. Archer

Director 28/9/20

TRANSGLOBAL EXPRESS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The director presents his annual report and financial statements for the year ended 31 December 2019.

Principal activities

The principal activity of the company continued to be that of a clearing house for delivery services.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mr. L. M. Archer

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £87,000. The director does not recommend payment of a further dividend.

Financial instruments

Price risk

The company is exposed to the price risk through its operations. The director believes that the cost of managing this risk is in excess of the potential benefits given the size of the company. The director, however, reviews the appropriateness of this policy on an annual basis.

Liquidity risk

The company has no bank loans and has sufficient funds available to meet obligations as they due fall.

Interest rate risk

The company holds both interest bearing assets and liabilities. Assets include cash balances which earn a fixed rate of interest. The company policy is to maintain debt at a fixed rate to ensure future interest cash flows.

Credit risk

The company requires that appropriate credit checks are carried out on new customers before sales are made. All customers have individual credit limits that are reviewed on an ongoing basis by the director. Bad debts are written off during the year.

In common with all companies operating in this sector, the company faces increasing supplier costs.

Transglobal Express Ltd faces strong competition in the market and if the company fails to compete successfully, market share may decline.

Through financial instruments held the company's operations expose it to a variety of financial risks that include price risk, credit risk, liquidity risk and interest risk.

The company does not use derivative financial instruments to manage financial risk and no hedge accounting is applied.

Future developments

The company will continue to develop in-house software and web design.

TRANSGLOBAL EXPRESS LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019


Auditor

In accordance with the company's articles, a resolution proposing that Horner Downey & Company Limited be reappointed as auditor of the company will be put at a General Meeting.

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 company's auditor 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 company's auditor is aware of that information.

On behalf of the board



.....
Mr. L. M. Archer

Director

Date: 28/9/20

TRANSGLOBAL EXPRESS LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

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 company and of the profit or loss of the company 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;
- 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TRANSGLOBAL EXPRESS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TRANSGLOBAL EXPRESS LIMITED

Opinion

We have audited the financial statements of Transglobal Express Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of income and retained earnings, the balance sheet, the 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 FRS 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 company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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

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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

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.

TRANSGLOBAL EXPRESS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TRANSGLOBAL EXPRESS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's 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 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.

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: <http://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 him 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.



Mark Williams FCCA (Senior Statutory Auditor)
for and on behalf of Horner Downey & Company Limited

30/9/20

Chartered Accountants
Statutory Auditor

10 Stadium Court
Stadium Road
Bromborough
Wirral
CH62 3RP

TRANSGLOBAL EXPRESS LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Turnover	3	21,931,826	21,554,246
Cost of sales		(16,214,621)	(16,874,838)
Gross profit		5,717,205	4,679,408
Administrative expenses		(4,216,060)	(3,888,039)
Operating profit	4	1,501,145	791,369
Interest receivable and similar income	8	85,012	75,567
Interest payable and similar expenses	9	(3,202)	(738)
Profit before taxation		1,582,955	866,198
Tax on profit	10	(289,889)	(69,801)
Profit for the financial year		1,293,066	796,397
Retained earnings brought forward		4,775,001	4,053,604
Dividends	11	(87,000)	(75,000)
Retained earnings carried forward		5,981,067	4,775,001

The Statement of Income and Retained Earnings has been prepared on the basis that all operations are continuing operations.


TRANSGLOBAL EXPRESS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	12		325,012		319,186
Current assets					
Stocks	13	18,727		18,380	
Debtors	14	6,386,996		6,266,828	
Cash at bank and in hand		2,257,806		1,269,312	
		<u>8,663,529</u>		<u>7,554,520</u>	
Creditors: amounts falling due within one year					
Obligations under finance leases	15	52,500		26,250	
Taxation and social security		425,885		334,715	
Other creditors	16	2,223,477		2,448,708	
Accruals and deferred income		185,318		182,607	
		<u>2,887,180</u>		<u>2,992,280</u>	
Net current assets			5,776,349		4,562,240
Total assets less current liabilities			<u>6,101,361</u>		<u>4,881,426</u>
Creditors: amounts falling due after more than one year					
Obligations under finance leases	15	62,708		50,312	
			(62,708)		(50,312)
Provisions for liabilities	17		(57,583)		(56,110)
Net assets			<u>5,981,070</u>		<u>4,775,004</u>
Capital and reserves					
Called up share capital	20		3		3
Profit and loss reserves			5,981,067		4,775,001
Total equity			<u>5,981,070</u>		<u>4,775,004</u>

The financial statements were approved and signed by the director and authorised for issue on 29/9/20


 Mr. L. M. Archer
 Director

Company Registration No. 02883060

TRANSGLOBAL EXPRESS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	25		1,462,867		(590,647)
Interest paid			(3,202)		(738)
Income taxes paid			(226,360)		(64,547)
Net cash inflow/(outflow) from operating activities			1,233,305		(655,932)
Investing activities					
Purchase of tangible fixed assets		(98,599)		(183,950)	
Proceeds on disposal of tangible fixed assets		-		2,000	
Proceeds from other investments and loans		(182,868)		(596,758)	
Interest received		85,012		75,567	
Net cash used in investing activities			(196,455)		(703,141)
Financing activities					
Payment of finance leases obligations		38,646		76,562	
Dividends paid		(87,000)		(75,000)	
Net cash (used in)/generated from financing activities			(48,354)		1,562
Net increase/(decrease) in cash and cash equivalents			988,496		(1,357,511)
Cash and cash equivalents at beginning of year			1,269,310		2,626,823
Cash and cash equivalents at end of year			2,257,806		1,269,312

TRANSGLOBAL EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Transglobal Express Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 5 The Gateway, Old Hall Road, Wirral International Business Park, Bromborough, Wirral, CH62 3NX.

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 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

The turnover in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax. Income is recognised at the date of the sales order, since courier orders are placed immediately upon receipt of the sales order.

Revenue from the provision of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

1.4 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.

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	20% reducing balance
Fixtures and fittings	20% 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 credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company 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.

TRANSGLOBAL EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

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.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase.

1.7 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.

1.8 Financial instruments

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

TRANSGLOBAL EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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 company 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 company 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.

TRANSGLOBAL EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.9 Equity instruments

Equity instruments issued by the company 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 company.

1.10 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 company'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 when the company has 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.

1.11 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.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

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

TRANSGLOBAL EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.13 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.14 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 company'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.

3 Turnover and other revenue

	2019 £	2018 £
Turnover analysed by class of business		
Services	21,931,826	21,554,246
	<u> </u>	<u> </u>
	2019 £	2018 £
Other significant revenue		
Interest income	85,012	75,567
	<u> </u>	<u> </u>

4 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	31,128	(4,918)
Depreciation of owned tangible fixed assets	58,321	68,909
Depreciation of tangible fixed assets held under finance leases	34,453	19,688
(Profit)/loss on disposal of tangible fixed assets	-	2,084
	<u> </u>	<u> </u>

TRANSGLOBAL EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

4 Operating profit

(Continued)

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £31,128 (2018 - £4,918).

5 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	7,000	6,500
For other services		
Other taxation services	500	-
All other non-audit services	6,500	6,000
	<u>7,000</u>	<u>6,000</u>

6 Employees

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

	2019 Number	2018 Number
Administrative staff	77	76
Management staff	2	2
Total	<u>79</u>	<u>78</u>

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	1,955,474	1,724,469
Social security costs	181,587	149,715
Pension costs	54,589	35,642
	<u>2,191,650</u>	<u>1,909,826</u>

7 Director's remuneration

	2019 £	2018 £
Remuneration for qualifying services	<u>12,565</u>	<u>11,990</u>

TRANSGLOBAL EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

7 Director's remuneration

(Continued)

The Director, Mr. L. M. Archer, is the only key manager.

8 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Interest on bank deposits	744	1,072
Other interest income	84,268	74,495
Total income	85,012	75,567

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	744	1,072
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9 Interest payable and similar expenses

	2019 £	2018 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	24	401
Other finance costs:		
Interest on finance leases and hire purchase contracts	3,178	337
	3,202	738

10 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	288,416	95,770
Adjustments in respect of prior periods	-	(41,150)
Total current tax	288,416	54,620
Deferred tax		
Other adjustments	1,473	15,181
Total tax charge	289,889	69,801

TRANSGLOBAL EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

10 Taxation

(Continued)

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

	2019 £	2018 £
Profit before taxation	1,582,955	866,198
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	300,761	164,578
Tax effect of expenses that are not deductible in determining taxable profit	1,227	1,309
Tax effect of income not taxable in determining taxable profit	-	(15,339)
Adjustments in respect of prior years	(39)	(41,150)
Permanent capital allowances in excess of depreciation	(1,473)	(16,109)
Research and development tax credit	(12,061)	(38,669)
Deferred tax adjustments in respect of prior years	1,474	15,181
Taxation charge for the year	289,889	69,801

11 Dividends

	2019 £	2018 £
Final paid	87,000	75,000

12 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 January 2019	29,482	617,778	209,543	856,803
Additions	-	19,849	78,750	98,599
At 31 December 2019	29,482	637,627	288,293	955,402
Depreciation and impairment				
At 1 January 2019	20,732	412,945	103,939	537,616
Depreciation charged in the year	1,750	44,936	46,088	92,774
At 31 December 2019	22,482	457,881	150,027	630,390
Carrying amount				
At 31 December 2019	7,000	179,746	138,266	325,012
At 31 December 2018	8,750	204,832	105,604	319,186

TRANSGLOBAL EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

12 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2019 £	2018 £
Motor vehicles	103,359	59,063

13 Stocks

	2019 £	2018 £
Consumables	18,727	18,380

14 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	612,846	678,868
Amounts owed by group undertakings	1,261,400	1,254,941
Other debtors	4,427,775	4,269,826
Prepayments and accrued income	84,975	63,193
	6,386,996	6,266,828

£929,493 (2018 £866,161) of other debtors relates to S455 tax and is recoverable in > one year.

At the year end £1,261,400 is owed by Transglobal GmbH, a company registered in Germany, which is wholly owned by Mr. L. Archer. Of this £148,087 (2018 £157,061) relates to start up capital and is recoverable in > one year.

The maximum owed by the Director to the company during the year was £3,510,282.

15 Finance lease obligations

	2019 £	2018 £
Future minimum lease payments due under finance leases:		
Within one year	52,500	26,250
In two to five years	62,708	50,312
	115,208	76,562

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

TRANSGLOBAL EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

16 Other creditors falling due within one year

	2019 £	2018 £
Trade creditors	2,184,499	2,409,773
Other creditors	38,978	38,935
	<u>2,223,477</u>	<u>2,448,708</u>

17 Provisions for liabilities

	Notes	2019 £	2018 £
Deferred tax liabilities	18	<u>57,583</u>	<u>56,110</u>

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2019 £	Liabilities 2018 £
Balances:		
Accelerated capital allowances	<u>57,583</u>	<u>56,110</u>
Movements in the year:		2019 £
Liability at 1 January 2019		56,110
Charge to profit or loss		1,473
Liability at 31 December 2019		<u>57,583</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

TRANSGLOBAL EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

19 Retirement benefit schemes

	2019	2018
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	54,589	35,642

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

20 Share capital

	2019	2018
	£	£
Ordinary share capital Issued and fully paid		
3 Ordinary of £1 each	3	3

21 Operating lease commitments

Operating lease payments include rentals payable by the company for the London office. An annual rent of £86,082 will be payable exclusive of Value Added Tax, over a term of 10 years. Also included are leased vehicles.

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

	2019	2018
	£	£
Within one year	96,017	86,082
Between two and five years	359,685	344,328
In over five years	344,328	430,410
	800,030	860,820

TRANSGLOBAL EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

22 Related party transactions

Remuneration of key management personnel

The company was under the joint control of Mr. L. Archer, Mrs. I. Archer and Mrs. J. M. Munoz-Ramos throughout the current and previous year. Mr. L. Archer was the Managing Director throughout the current and previous year.

Mr. L. Archer (Director) owns the properties in Bromborough where the company trades from.

The company has an agreement with Mr. L. Archer to pay £56,400 per annum for the units.

At the year end £1,261,400 is owed by Transglobal Express GmbH a company registered in Germany which is wholly owned by Mr. and Mrs. Archer.

During the year a further £29,566 invoices were issued to Transglobal Express GmbH and £328,329 was repaid.

A Google invoice of £176,106 was also issued to Transglobal Express GmbH.

Start up capital of 174,950 EUROS has been adjusted to reflect the exchange rate.

23 Directors' transactions

Dividends totalling £87,000 (2018 - £75,000) were paid in the year in respect of shares held by the company's directors.

The Director pays interest to the company at a rate of 2.5% per annum in relation to the overdrawn Directors loan account.

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Closing balance £
Directors loan account	2.50	3,315,414	110,600	84,268	3,510,282
		<u>3,315,414</u>	<u>110,600</u>	<u>84,268</u>	<u>3,510,282</u>

24 Analysis of changes in net funds

	1 January 2019 £	Cash flows £	31 December 2019 £
Cash at bank and in hand	1,269,312	988,494	2,257,806
Obligations under finance leases	(76,562)	(38,646)	(115,208)
	<u>1,192,750</u>	<u>949,848</u>	<u>2,142,598</u>

TRANSGLOBAL EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

25 Cash generated from/(absorbed by) operations

	2019 £	2018 £
Profit for the year after tax	1,293,066	796,397
Adjustments for:		
Taxation charged	289,889	69,801
Finance costs	3,202	738
Investment income	(85,012)	(75,567)
(Gain)/loss on disposal of tangible fixed assets	-	2,084
Depreciation and impairment of tangible fixed assets	92,774	88,597
Decrease in provisions	-	(858,616)
Movements in working capital:		
(Increase)/decrease in stocks	(347)	967
Decrease/(increase) in debtors	62,700	(671,477)
(Decrease)/increase in creditors	(193,406)	56,429
Cash generated from/(absorbed by) operations	<u>1,462,867</u>	<u>(590,647)</u>