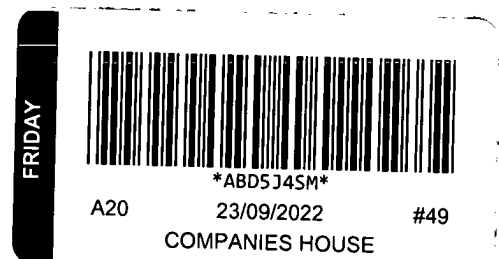


Company registration number 02883060 (England and Wales)

**TRANSGLOBAL EXPRESS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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



# TRANSGLOBAL EXPRESS LIMITED

## COMPANY INFORMATION

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

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# **TRANSGLOBAL EXPRESS LIMITED**

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# TRANSGLOBAL EXPRESS LIMITED

## DIRECTOR'S REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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

#### **Principal activities**

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

#### **Results and dividends**

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £1,000,000. The director does not recommend payment of a further dividend.

#### **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

#### **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.

#### **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.

# TRANSGLOBAL EXPRESS LIMITED

## DIRECTOR'S REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### 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: 22/9/22.....

# TRANSGLOBAL EXPRESS LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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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](http://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:

	2021	2020	2019	2018	2017
	£	£	£	£	£
Turnover	32,940,993	26,307,753	21,931,826	21,554,246	22,545,873

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 increased, despite strong competition in the market and the impact of the COVID-19 pandemic.

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

Staff numbers have increased year on year, in line with turnover.

The gross profit percentage has decreased to 25.74% in 2021 from 27.9% in 2020.

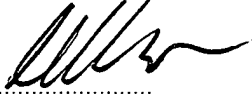
The company has continued to develop in-house software and web design.

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

Date: 22/9/22

# **TRANSGLOBAL EXPRESS LIMITED**

## **DIRECTOR'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021**

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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

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#### Opinion

We have audited the financial statements of Transglobal Express Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 company's affairs as at 31 December 2021 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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

#### Other information

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

We have nothing to report in this regard.

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

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

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



# **TRANSGLOBAL EXPRESS LIMITED**

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

### **TO THE MEMBERS OF TRANSGLOBAL EXPRESS LIMITED**

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#### **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 or the director's report.

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

- adequate accounting records have not been kept, 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.

# **TRANSGLOBAL EXPRESS LIMITED**

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

### **TO THE MEMBERS OF TRANSGLOBAL EXPRESS LIMITED**

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- results of our enquiries of management and those charged with governance about their own identification and assessment of risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
    - matters discussed amongst the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the company for fraud, and areas which may give rise to material misstatement in the financial statements. We identified that due to the nature of the business, the company deals with a large number of small transactions whereby detecting irregularities may be more difficult. In common with all audits under ISA's (UK), we are required to perform specific procedures to respond to the risk of management override and revenue recognition.

Audit procedures performed to respond to these risks include:

- tracing through sales orders, throughout the year and around the year end, to sales invoices and to the sales ledger;
- testing ranges of sales order numbers to ensure they run sequentially;
- tracing through items in the purchase ledger to purchase invoices;
- cut off testing;
- reviewing sales ledger, purchase ledger and cashbook for unusual transactions;
- reviewing unusual fluctuations via analytical review and P&L analysis.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in. The key laws and regulations we considered included the UK Companies Act, Health & Safety Law, Employment Law, GDPR and Financial Reporting requirements.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- enquiring of management and those charged with governance concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- in addressing the risk of fraud through management override of controls, reviewing the cashbook and ledgers; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;
- considering the practicalities of how the audit will be carried out in light of the pandemic, including remote working, requesting evidence as far in advance as possible and the increased use of technology to deliver work.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

# **TRANSGLOBAL EXPRESS LIMITED**

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

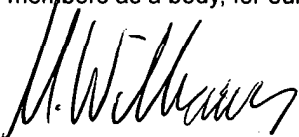
### **TO THE MEMBERS OF TRANSGLOBAL EXPRESS LIMITED**

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A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

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



**Mark Williams FCCA**

**Senior Statutory Auditor**

**For and on behalf of Horner Downey & Company Limited**

Date: 22/9/22

**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 2021

	Notes	2021 £	2020 £
<b>Turnover</b>	<b>3</b>	32,940,993	26,307,752
Cost of sales		(24,460,925)	(18,966,704)
<b>Gross profit</b>		8,480,068	7,341,048
Administrative expenses		(6,264,182)	(4,751,330)
Other operating income		-	49,710
<b>Operating profit</b>	<b>4</b>	2,215,886	2,639,428
Interest receivable and similar income	<b>8</b>	87,851	79,511
Interest payable and similar expenses	<b>9</b>	(4,683)	(4,441)
<b>Profit before taxation</b>		2,299,054	2,714,498
Tax on profit	<b>10</b>	(374,481)	(498,427)
<b>Profit for the financial year</b>		1,924,573	2,216,071
Retained earnings brought forward		8,089,138	5,981,067
Dividends	<b>11</b>	(1,000,000)	(108,000)
<b>Retained earnings carried forward</b>		9,013,711	8,089,138

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

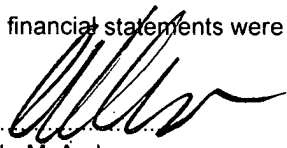
# TRANSGLOBAL EXPRESS LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	12		876,638		486,428
<b>Current assets</b>					
Stocks	14	39,498		21,067	
Debtors	15	5,892,059		5,574,024	
Cash at bank and in hand		6,564,370		6,359,191	
		<u>12,495,927</u>		<u>11,954,282</u>	
<b>Creditors: amounts falling due within one year</b>					
Obligations under finance leases	16	18,229		60,312	
Taxation and social security		169,892		580,455	
Other creditors	17	3,578,930		3,173,179	
Accruals and deferred income		430,060		430,416	
		<u>4,197,111</u>		<u>4,244,362</u>	
<b>Net current assets</b>			8,298,816		7,709,920
<b>Total assets less current liabilities</b>			9,175,454		8,196,348
<b>Creditors: amounts falling due after more than one year</b>					
Obligations under finance leases	16	-		18,229	(18,229)
<b>Provisions for liabilities</b>					
Deferred tax liability	19	161,740		88,978	(88,978)
		<u>(161,740)</u>		<u>(88,978)</u>	
<b>Net assets</b>			<u>9,013,714</u>		<u>8,089,141</u>
<b>Capital and reserves</b>					
Called up share capital	21		3		3
Profit and loss reserves			9,013,711		8,089,138
<b>Total equity</b>			<u>9,013,714</u>		<u>8,089,141</u>

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

  
 Mr. L. M. Archer  
 Director

Company Registration No. 02883060

# TRANSGLOBAL EXPRESS LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	26	2,284,778		4,890,378	
Interest paid		(4,683)		(4,441)	
Income taxes paid		(568,580)		(324,378)	
<b>Net cash inflow from operating activities</b>		<b>1,711,515</b>		<b>4,561,559</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(639,894)		(316,855)	
Proceeds on disposal of tangible fixed assets		-		6,050	
Proceeds from other investments and loans		106,021		(84,214)	
Interest received		87,851		79,511	
<b>Net cash used in investing activities</b>		<b>(446,022)</b>		<b>(315,508)</b>	
<b>Financing activities</b>					
Payment of finance leases obligations		(60,312)		(36,667)	
Dividends paid		(1,000,000)		(108,000)	
<b>Net cash used in financing activities</b>		<b>(1,060,312)</b>		<b>(144,667)</b>	
<b>Net increase in cash and cash equivalents</b>		<b>205,181</b>		<b>4,101,384</b>	
Cash and cash equivalents at beginning of year		6,359,189		2,257,807	
<b>Cash and cash equivalents at end of year</b>		<b>6,564,370</b>		<b>6,359,191</b>	

# TRANSGLOBAL EXPRESS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 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. This takes into consideration the implications of COVID-19 coronavirus pandemic, both directly and indirectly, and the increased economic uncertainty. The company has a strong financial position, and has been able to continue trade throughout this period. 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. An automated online system generates the sales invoice instantaneously.

#### 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:

Leasehold land and buildings	16.67% straight line
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 2021

---

#### 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 2021

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#### 1 Accounting policies

(Continued)

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

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

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

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

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

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the 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 2021

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### 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 2021

### 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 Government grants

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

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

#### 1.15 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

	2021 £	2020 £
<b>Turnover analysed by class of business</b>		
Services	32,940,993	26,307,752
	<u>                    </u>	<u>                    </u>
	2021 £	2020 £
<b>Other revenue</b>		
Interest income	87,851	79,511
Grants received	-	49,710
	<u>                    </u>	<u>                    </u>

# TRANSGLOBAL EXPRESS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	107,761	(99,062)
Government grants	-	(49,710)
Depreciation of owned tangible fixed assets	210,201	95,438
Depreciation of tangible fixed assets held under finance leases	39,484	52,645
(Profit)/loss on disposal of tangible fixed assets	-	1,305
	<u>          </u>	<u>          </u>

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 £107,761 (2020 - £99,062).

### 5 Employees

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

	2021 Number	2020 Number
Administrative staff	117	99
Management staff	2	2
Total	<u>119</u>	<u>101</u>

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	2,872,882	2,251,281
Social security costs	268,859	210,693
Pension costs	79,626	59,051
	<u>3,221,367</u>	<u>2,521,025</u>

### 6 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	<u>8,000</u>	<u>7,500</u>
<b>For other services</b>		
Other taxation services	500	500
All other non-audit services	<u>7,000</u>	<u>6,500</u>
	<u>7,500</u>	<u>7,000</u>

# TRANSGLOBAL EXPRESS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 7 Director's remuneration

	2021 £	2020 £
Remuneration for qualifying services	12,339	12,346

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

### 8 Interest receivable and similar income

	2021 £	2020 £
<b>Interest income</b>		
Interest on bank deposits	703	738
Other interest income	87,148	78,773
<b>Total income</b>	<b>87,851</b>	<b>79,511</b>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	703	738
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### 9 Interest payable and similar expenses

	2021 £	2020 £
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	4,683	4,441

### 10 Taxation

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	301,718	467,032
<b>Deferred tax</b>		
Other adjustments	72,763	31,395
<b>Total tax charge</b>	<b>374,481</b>	<b>498,427</b>

# TRANSGLOBAL EXPRESS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 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:

	2021 £	2020 £
Profit before taxation	2,299,054	2,714,498
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	436,820	515,755
Tax effect of expenses that are not deductible in determining taxable profit	3,972	1,113
Permanent capital allowances in excess of depreciation	(72,446)	(31,643)
Research and development tax credit	(32,682)	(18,193)
Deferred tax adjustments in respect of prior years	72,763	31,395
Super deduction on AIA's	(33,946)	-
Taxation charge for the year	374,481	498,427

### 11 Dividends

	2021 £	2020 £
Final paid	1,000,000	108,000

### 12 Tangible fixed assets

	Leasehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 January 2021	-	37,682	653,576	567,924	1,259,182
Additions	10,003	381,312	71,187	177,392	639,894
At 31 December 2021	10,003	418,994	724,763	745,316	1,899,076
<b>Depreciation and impairment</b>					
At 1 January 2021	-	25,522	497,020	250,211	772,753
Depreciation charged in the year	1,667	78,694	45,548	123,776	249,685
At 31 December 2021	1,667	104,216	542,568	373,987	1,022,438
<b>Carrying amount</b>					
At 31 December 2021	8,336	314,778	182,195	371,329	876,638
At 31 December 2020	-	12,160	156,555	317,713	486,428

# TRANSGLOBAL EXPRESS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 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.

	2021 £	2020 £
Motor vehicles	118,451	157,935

### 13 Financial instruments

The company enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans to related parties.

Financial liabilities measured at amortised cost included amounts owed to Transglobal Express GmbH, a company registered in Germany, of £311 (2020 -£38,844). This is repayable on demand.

Financial assets measured at amortised cost includes amounts owed by the Director to the company of £4,374,563 (2020 £3,582,496). Interest is charged to the company.

### 14 Stocks

	2021 £	2020 £
Consumables	39,498	21,067

### 15 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,089,203	901,044
Amounts owed by undertakings in which the company has a participating interest	-	38,844
Other debtors	4,709,714	4,541,369
Prepayments and accrued income	93,142	92,767
	5,892,059	5,574,024

£1,214,284 (2020 £956,863) of other debtors relates to S455 tax and is recoverable in > one year.

The maximum owed by the Director to the company during the year was £4,374,563.

# TRANSGLOBAL EXPRESS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 16 Finance lease obligations

	2021 £	2020 £
Future minimum lease payments due under finance leases:		
Within one year	18,229	60,312
In two to five years	-	18,229
	<u>18,229</u>	<u>78,541</u>

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.

### 17 Other creditors falling due within one year

	2021 £	2020 £
Trade creditors	3,519,838	3,125,079
Other creditors	59,092	48,100
	<u>3,578,930</u>	<u>3,173,179</u>

At the year end £311 is owed to Transglobal GmbH, a company registered in Germany, which is wholly owned by Mr. L. Archer.

### 18 Provisions for liabilities

	Notes	2021 £	2020 £
Deferred tax liabilities	19	<u>161,740</u>	<u>88,978</u>

### 19 Deferred taxation

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

	Liabilities 2021 £	Liabilities 2020 £
<b>Balances:</b>		
Accelerated capital allowances	<u>161,740</u>	<u>88,978</u>



# TRANSGLOBAL EXPRESS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 19 Deferred taxation (Continued)

	2021 £
<b>Movements in the year:</b>	
Liability at 1 January 2021	88,978
Charge to profit or loss	72,762
	<u>161,740</u>
Liability at 31 December 2021	<u>161,740</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.

### 20 Retirement benefit schemes

	2021 £	2020 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	79,626	59,051
	<u>79,626</u>	<u>59,051</u>

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.

### 21 Share capital

	2021 Number	2020 Number	2021 £	2020 £
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary of £1 each	3	3	3	3
	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>

### 22 Operating lease commitments

Operating lease payments include rentals payable by the company for the London office. An annual rent of £202,028.82 will be payable exclusive of Value Added Tax, over a term of 6 years, with a 50% discount applied in the first year. 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:

	2021 £	2020 £
Within one year	207,451	96,017
Between two and five years	808,115	359,685
In over five years	-	248,311
	<u>1,015,566</u>	<u>704,013</u>

# TRANSGLOBAL EXPRESS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 23 Related party transactions

#### Remuneration of key management personnel

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

The company was under the majority control of Mr. L. Archer throughout the current 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 £107,250 per annum for the units.

At the year end £311 is owed to Transglobal Express GmbH a company registered in Germany which is wholly owned by Mr. and Mrs. Archer.

During the year a further £199,181 invoices were issued to Transglobal Express GmbH and £125,358 was repaid.

### 24 Directors' transactions

Dividends totalling £1,000,000 (2020 - £108,000) 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.

### 25 Analysis of changes in net funds

	1 January 2021 £	Cash flows £	31 December 2021 £
Cash at bank and in hand	6,359,191	205,179	6,564,370
Obligations under finance leases	(78,541)	60,312	(18,229)
	<u>6,280,650</u>	<u>265,491</u>	<u>6,546,141</u>

# TRANSGLOBAL EXPRESS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 26 Cash generated from operations

	2021 £	2020 £
Profit for the year after tax	1,924,573	2,216,071
<b>Adjustments for:</b>		
Taxation charged	374,481	498,427
Finance costs	4,683	4,441
Investment income	(87,851)	(79,511)
(Gain)/loss on disposal of tangible fixed assets	-	1,305
Depreciation and impairment of tangible fixed assets	249,685	148,083
<b>Movements in working capital:</b>		
Increase in stocks	(18,431)	(2,340)
(Increase)/decrease in debtors	(424,056)	897,186
Increase in creditors	261,693	1,206,716
<b>Cash generated from operations</b>	<b>2,284,778</b>	<b>4,890,378</b>