

REGISTERED NUMBER: 08744406 (England and Wales)

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020  
FOR  
DELAMODE DISTRIBUTION UK LIMITED**



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FOR THE YEAR ENDED 31 DECEMBER 2020**

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**DELAMODE DISTRIBUTION UK LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**DIRECTORS:**

S R Godfrey  
R M R Farmer  
J K Wright  
L P Dennafor  
R W G Ross  
M Williamson

**REGISTERED OFFICE:**

700 Avenue West  
Skyline 120  
Great Notley  
Braintree  
Essex  
CM77 7AA

**REGISTERED NUMBER:**

08744406 (England and Wales)

**AUDITORS:**

Crowe U.K. LLP  
Statutory Auditor  
55 Ludgate Hill  
London  
EC4M 7JW

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report with the financial statements of the company for the year ended 31 December 2020.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of a UK freight forwarding provider.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

S R Godfrey  
R M R Farmer  
J K Wright  
L P Dennafor

Other changes in directors holding office are as follows:

R W G Ross and M Williamson were appointed as directors after 31 December 2020 but prior to the date of this report.

C A Donovan ceased to be a director after 31 December 2020 but prior to the date of this report.

**GOING CONCERN**

As described in note 2 the directors have concluded that it is appropriate that the financial statements have been prepared on a going concern basis. The entity has a net asset position as at 31 December 2020 and the directors believe that based on the resulting budgets and forecast cash flows, there is sufficient resources to meet its liabilities as they fall due.

As a consequence the directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future and the financial statements have therefore been prepared on a going concern basis.

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies for the financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

**AUDITORS**

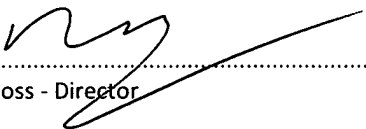
The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

  
.....  
R W G Ross - Director

Date: 22/9/2021  
.....

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
DELAMODE DISTRIBUTION UK LIMITED**

**Opinion**

We have audited the financial statements of Delamode Distribution UK Limited (the 'company') for the year ended 31 December 2020 which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (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 2020 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 Auditors' 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 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 the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DELAMODE DISTRIBUTION UK 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 Report of the Directors.

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' 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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and relevant taxation legislation.
- We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.
- Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.
- These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
DELAMODE DISTRIBUTION UK LIMITED**

**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 a Report of the Auditors 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.



Stephen Bullock (Senior Statutory Auditor)  
for and on behalf of Crowe U.K. LLP  
Statutory Auditor  
55 Ludgate Hill  
London  
EC4M 7JW

Date: .....22nd September 2021.....



**DELAMODE DISTRIBUTION UK LIMITED (REGISTERED NUMBER: 08744406)**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
<b>TURNOVER</b>		2,920,822	2,454,609
Cost of sales		<u>2,322,496</u>	<u>1,996,141</u>
<b>GROSS PROFIT</b>		598,326	458,468
Administrative expenses		<u>303,013</u>	<u>275,758</u>
<b>OPERATING PROFIT</b>		295,313	182,710
Interest receivable and similar income		<u>788</u>	<u>-</u>
		296,101	182,710
Interest payable and similar expenses	5	<u>409</u>	<u>116</u>
<b>PROFIT BEFORE TAXATION</b>	6	295,692	182,594
Tax on profit	7	<u>56,096</u>	<u>34,730</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>239,596</u></u>	<u><u>147,864</u></u>

The notes form part of these financial statements

**DELAMODE DISTRIBUTION UK LIMITED (REGISTERED NUMBER: 08744406)**

**STATEMENT OF COMPREHENSIVE  
INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
<b>PROFIT FOR THE YEAR</b>		239,596	147,864
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>239,596</u>	<u>147,864</u>

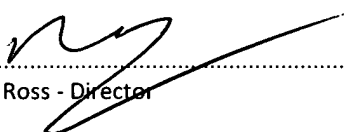
The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION  
31 DECEMBER 2020

	Notes	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible assets	10	5,580	5,822
<b>CURRENT ASSETS</b>			
Debtors	11	628,623	431,026
Cash at bank		293,318	352,591
		<u>921,941</u>	<u>783,617</u>
<b>CREDITORS</b>			
Amounts falling due within one year	12	<u>580,486</u>	<u>583,355</u>
<b>NET CURRENT ASSETS</b>		<u>341,455</u>	<u>200,262</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>347,035</u>	<u>206,084</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	13	<u>6,095</u>	<u>1,235</u>
<b>NET ASSETS</b>		<u><u>340,940</u></u>	<u><u>204,849</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	20,000	20,000
Retained earnings	15	<u>320,940</u>	<u>184,849</u>
<b>SHAREHOLDERS' FUNDS</b>		<u><u>340,940</u></u>	<u><u>204,849</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 22 SEPTEMBER 21 and were signed on its behalf by:

  
.....  
R W G Ross - Director

**DELAMODE DISTRIBUTION UK LIMITED (REGISTERED NUMBER: 08744406)**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2019</b>	20,000	85,074	105,074
<b>Changes in equity</b>			
Dividends	-	(48,089)	(48,089)
Total comprehensive income	-	147,864	147,864
<b>Balance at 31 December 2019</b>	<u>20,000</u>	<u>184,849</u>	<u>204,849</u>
<b>Changes in equity</b>			
Dividends	-	(103,505)	(103,505)
Total comprehensive income	-	239,596	239,596
<b>Balance at 31 December 2020</b>	<u><u>20,000</u></u>	<u><u>320,940</u></u>	<u><u>340,940</u></u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**1. STATUTORY INFORMATION**

Delamode Distribution UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The financial statements are presented in sterling which is the functional currency of the company and is rounded to the nearest pound sterling.

**2. ACCOUNTING POLICIES**

**Basis of preparation**

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraph 24(6) of IFRS 6 Exploration for and Evaluation of Mineral Resources;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- the requirements of paragraph 58 of IFRS 16;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1; and
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES - continued

**Revenue**

The Company generates revenue in the UK.

The revenue and profits recognised in any reporting period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer. In determining the amount of revenue and profits to record, and associated balance sheet items (such as trade receivables, accrued income and deferred income), management is required to review performance obligations within individual contracts. This may involve some judgemental areas where revenue is recorded in advance of invoicing the customer.

Revenue is recognised either when the performance obligation in the contract has been performed (so 'over time' recognition). For all contracts, the Company determines if the arrangement with a customer creates enforceable rights and obligations, which is in line with our contractual commitments and industry standard best practice (for example Convention Relative au Contrat de Transport International de Marchandises par la Route or CML).

For each performance obligation to be recognised over time, the Company applies a revenue recognition method that faithfully depicts the Company's performance in transferring control of the goods or services to the customer. This decision requires assessment of the real nature of the goods or services that the Company has promised to transfer to the customer. The Company has assessed the period of time principles as follows :

- Customers receive the benefits of the goods being moved from the origin to the destination, as another supplier would not need to re-perform the service performed to date (ie the goods have been moved partway).
- The customer becomes committed to pay the Company the moment that the goods are despatched and collected.
- The customer accepts that they are liable to pay for the transaction in full although it is the Company's responsibility to ensure that the shipment is in transit before invoicing.
- The customer can usually be invoiced on despatch/export and has an obligation to pay for services despite any problems that may arise in transit.
- The Company would hold any third party liable for any issues that happen in transit that is beyond its reasonable control.

All revenue is recognised over a period in time.

**Freight forwarding**

Under IFRS 15, freight forwarding revenue is recognised over the period of time based on the principles identified above. Therefore, revenue will consist of freight delivered during the period as well as a proportion of revenue for service delivered that are in process as at the end of the reporting period, which is calculated on a time proportioned basis.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Motor Vehicles and Equipment etc                      -    20% on reducing balance

Property, plant and equipment are stated at cost less accumulated depreciation.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES - continued

**Corporate income tax**

The charge for current tax is based on the taxable income for the period. The taxable result for the period differs from the result as reported in the statement of comprehensive income because it excludes items which are not assessable or disallowed and it further excludes items that are taxable and deductible in other years. It is calculated using tax rates that have been enacted or substantially enacted by the statement of financial position date.

Deferred income tax is provided using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Employee benefit costs**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

**Classification**

Applicable from 1 January 2018, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the contractual terms of the cash flows.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

**Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES - continued

**Debt instruments**

Subsequent measurement of debt instruments depends on the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

**Fair Value through Other Comprehensive Income (FVOCI) :** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as a separate line item in the statement of profit or loss.

**Impairment**

From 1 January 2018, the Company assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**Trade, Intercompany and other receivables**

The Company assesses on a forward-looking basis the expected credit losses associated with its receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, resulting in trade receivables recognised and carried at original invoice amount less an allowance for any uncollectible amounts based on expected credit losses.

**Cash and cash equivalents**

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with original Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Financial liabilities**

The Company classifies its financial liabilities into two categories:

**Other financial liabilities**

The Company's other financial liabilities include trade and other payables and accruals. Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.



NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES - continued

**Fair value through profit and loss**

This category only comprises of the element of deferred consideration on business combinations, which is contingent on the performance of the acquired businesses. The expected consideration payable is assessed.

**Short-term employee benefits**

Short-term employee benefits include wages, salaries and social security contributions. Short-term employee benefits are recognised as expenses as services are rendered.

**Short-term liabilities**

The short-term liabilities are due within one year.

**Financial interest paid and received**

Interest paid and received is recognised on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognising interest paid, allowance is made for transaction costs on loans received as part of the calculation of effective interest.

**Other income**

Other income represents the value, excluding value added tax, for non-trading income rendered during the year.

**Going concern**

The Company meets its working capital requirements through the receipt of revenues from the provision of its services in the UK. The COVID-19 pandemic has had a significant, immediate impact on the UK and global economies and on the operations and operational funding of participants in international and UK supply chains.

The COVID-19 pandemic has not, to date, had a significant adverse impact on the Company's operations but the directors are aware that if the current situation becomes prolonged then this may change. Based on very recent trends, the directors believe that demand for the Company's freight management services will remain robust overall but will be volatile, and that the Company has the systems and protocols in place to meet this demand. At the date of approval of these financial statements the company has not seen any adverse impact on the levels of activity, in contrary, the company is back to trading ahead of or broadly in-line with pre-pandemic levels.

Having regard to the above, and based on their latest assessment of the budgets and forecasts for the business of the company, the directors consider that there are sufficient funds available to the Company to enable it to meet its liabilities as they fall due for a period of not less than twelve months from the date of approval of the financial statements. The directors therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 (revised) with the exception of the items listed below:

**Trade receivables**

Trade and other receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business, if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

4. EMPLOYEES AND DIRECTORS

	2020	2019
	£	£
Wages and salaries	198,657	173,388
Social security costs	20,433	24,903
Other pension costs	5,235	5,852
	<u>224,325</u>	<u>204,143</u>

The average number of employees during the year was as follows:

	2020	2019
Senior	3	3
Operations	3	3
	<u>6</u>	<u>6</u>

The directors are regarded the key management personnel of the company.

	2020	2019
	£	£
Directors' remuneration	115,500	164,167
Directors' pension contributions to money purchase schemes	<u>3,465</u>	<u>4,564</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Bank charges	409	116
	<u>          </u>	<u>          </u>

6. PROFIT BEFORE TAXATION

The profit before taxation is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation - owned assets	1,679	1,311
Loss on disposal of fixed assets	708	220
Auditors' remuneration	4,700	4,000
Foreign exchange differences	29	(760)
	<u>          </u>	<u>          </u>

7. TAXATION

Analysis of tax expense

	2020	2019
	£	£
Current tax:		
Tax	56,096	34,730
	<u>          </u>	<u>          </u>
Total tax expense in income statement	56,096	34,730
	<u>          </u>	<u>          </u>

Factors affecting the tax expense

The tax assessed for the year is lower (2019 - higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2020	2019
	£	£
Profit before income tax	295,692	182,594
	<u>          </u>	<u>          </u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	56,181	34,693
Effects of:		
Capital allowances in excess of depreciation	(295)	(107)
Expenses not deductible for tax purposes	210	144
	<u>          </u>	<u>          </u>
Tax expense	56,096	34,730
	<u>          </u>	<u>          </u>

8. DIVIDENDS

	2020	2019
	£	£
Interim	103,505	48,089
	<u>          </u>	<u>          </u>

9. REVENUE

All of the company's revenue results from the rendering of services.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

10. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 January 2020	-	2,800	7,224	10,024
Additions	1,592	-	1,153	2,745
Disposals	(1,592)	-	-	(1,592)
At 31 December 2020	-	2,800	8,377	11,177
<b>DEPRECIATION</b>				
At 1 January 2020	-	1,456	2,746	4,202
Charge for year	284	270	1,125	1,679
Eliminated on disposal	(284)	-	-	(284)
At 31 December 2020	-	1,726	3,871	5,597
<b>NET BOOK VALUE</b>				
At 31 December 2020	-	1,074	4,506	5,580
At 31 December 2019	-	1,344	4,478	5,822

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	466,700	430,364
Amounts owed by group undertakings	159,419	-
Other debtors	2,504	662
	<u>628,623</u>	<u>431,026</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	442,743	492,193
Amounts owed to group undertakings	11,032	11,739
Tax	56,152	34,787
Social security and other taxes	7,729	6,027
VAT	45,674	23,346
Accruals and deferred income	17,156	15,263
	<u>580,486</u>	<u>583,355</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Amounts owed to group undertakings	<u>6,095</u>	<u>1,235</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

14. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020 £	2019 £
20,000	Ordinary	£1	<u>20,000</u>	<u>20,000</u>

Each share has full rights in the company with respect to voting, dividends and distributions.

There are no restrictions on the amount of authorised share capital.

15. **RESERVES**

Retained Earnings - the cumulative income and expenses recognised in the Statement of Comprehensive Income together with cumulative items, other than proceeds of share issues, recognised in equity.

16. **ULTIMATE PARENT COMPANY**

The Company's immediate parent undertaking is Delamode Holdings Limited, a company incorporated in United Kingdom, owning 51% of the share capital of the Company.

The ultimate parent company is Xpediator PLC, a company registered in England and Wales. Copies of the consolidated financial statements of Xpediator PLC are publicly available from the Xpediator's corporate website or the Companies House, Crown Way, Cardiff CF14 3UZ.