

Company Registration No. 01412704 (England and Wales)

IBI INTERNATIONAL LOGISTICS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

IBI INTERNATIONAL LOGISTICS LIMITED

COMPANY INFORMATION

Directors	J Elder	(Appointed 11 March 2020)
	P Holt	(Appointed 28 April 2020)
	H Shields	(Appointed 11 March 2020)
	M Shields	(Appointed 11 March 2020)
	M Vincent	(Appointed 11 March 2020)

Company number	01412704
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Registered office	Ibex House 61-65 Baker Street Weybridge Surrey KT13 8AH
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Auditor	MGI Midgley Snelling LLP Ibex House Baker Street Weybridge Surrey KT13 8AH
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IBI INTERNATIONAL LOGISTICS LIMITED

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IBI INTERNATIONAL LOGISTICS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

Principal activities

The principal activity of the company continued to be that of shipping and forwarding agents.

Results and dividends

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £10,148,371. The directors do not recommend payment of a further dividend.

Directors

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

J Elder	(Appointed 11 March 2020)
P Holt	(Appointed 28 April 2020)
H Shields	(Appointed 11 March 2020)
M Shields	(Appointed 11 March 2020)
M Vincent	(Appointed 11 March 2020)
V Patel	(Resigned 9 March 2020)
J Frese	(Resigned 9 March 2020)
J Haskard	(Resigned 9 March 2020)
S Lundsberg-Nielsen	(Resigned 24 February 2020)
A Sanchez	(Appointed 9 March 2020 and resigned 11 March 2020)

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

IBI INTERNATIONAL LOGISTICS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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.

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

P Holt

Director

23 July 2021

IBI INTERNATIONAL LOGISTICS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IBI INTERNATIONAL LOGISTICS LIMITED

Opinion

We have audited the financial statements of IBI International Logistics Limited (the 'company') for the year ended 31 December 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 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 *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 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

IBI INTERNATIONAL LOGISTICS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF IBI INTERNATIONAL LOGISTICS 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 directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 company is not entitled to claim exemption in preparing a strategic report due to it being a member of an ineligible group.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

In planning and designing our audit tests, we identify and assess the risks of material misstatements within the financial statements, whether due to fraud or error. Our assessment of these risks includes consideration of the nature of the industry and sector, the control environment and the business performance along with the results of our enquiries of management, about their own identification and assessment of the risks of irregularities. We are also required to perform specific procedures to respond to the risk of management override.

As a result of this assessment, we considered the opportunities and incentives that may exist within the company for fraud and identified that the greatest area of risk was in relation to management override.

We have obtained an understanding of the legal and regulatory frameworks that the company operates in from discussions with the directors and our knowledge of the company and its industry sector. We have focussed on the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and local tax legislation.

IBI INTERNATIONAL LOGISTICS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF IBI INTERNATIONAL LOGISTICS LIMITED

We performed the following audit procedures after consideration of the above risks which included the following:

- enquiry of management of actual and potential litigation and claims;
- reviewing correspondence with HMRC and the company's legal advisors;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; 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.

The engagement partner has assessed that all engagement team members were made aware of the relevant laws and regulations and potential fraud risks and were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Sarah Squires BEng ACA (Senior Statutory Auditor)

For and on behalf of MGI Midgley Snelling LLP

26 July 2021

Chartered Accountants

Statutory Auditor

Ibex House
Baker Street
Weybridge
Surrey
KT13 8AH

IBI INTERNATIONAL LOGISTICS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	5,850,982	7,315,777
Cost of sales		(4,148,551)	(5,955,915)
Gross profit		<u>1,702,431</u>	<u>1,359,862</u>
Administrative expenses		(1,689,298)	(1,341,934)
Other operating income		140,686	-
Operating profit	4	<u>153,819</u>	<u>17,928</u>
Interest receivable and similar income		1,986	13,015
Interest payable and similar expenses	6	(4,865)	(15,233)
Gain on disposal of investments	7	9,830,112	-
Profit before taxation		<u>9,981,052</u>	<u>15,710</u>
Tax on profit	8	(91,033)	15,100
Profit for the financial year		<u><u>9,890,019</u></u>	<u><u>30,810</u></u>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

IBI INTERNATIONAL LOGISTICS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	9		-		65,972
Tangible assets	10		207,233		298,105
Investments	11		-		318,258
			<u>207,233</u>		<u>682,335</u>
Current assets					
Debtors	12	1,007,906		1,726,109	
Cash at bank and in hand		711,900		497,230	
		<u>1,719,806</u>		<u>2,223,339</u>	
Creditors: amounts falling due within one year	13	(1,268,628)		(1,965,525)	
Net current assets			<u>451,178</u>		<u>257,814</u>
Total assets less current liabilities			658,411		940,149
Creditors: amounts falling due after more than one year	14		(56,700)		(80,086)
Net assets			<u>601,711</u>		<u>860,063</u>
Capital and reserves					
Called up share capital	18		196,000		196,000
Profit and loss reserves			405,711		664,063
Total equity			<u>601,711</u>		<u>860,063</u>

The financial statements were approved by the board of directors and authorised for issue on 23 July 2021 and are signed on its behalf by:

P Holt
Director

Company Registration No. 01412704

IBI INTERNATIONAL LOGISTICS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital	Profit and loss reserves	Total
	£	£	£
As restated for the period ended 31 December 2019:			
Balance at 1 January 2019	196,000	633,253	829,253
Year ended 31 December 2019:			
Profit and total comprehensive income for the year	-	30,810	30,810
Balance at 31 December 2019	196,000	664,063	860,063
Year ended 31 December 2020:			
Profit and total comprehensive income for the year	-	9,890,019	9,890,019
Dividends	-	(10,148,371)	(10,148,371)
Balance at 31 December 2020	196,000	405,711	601,711

IBI INTERNATIONAL LOGISTICS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	21		297,576		(121,929)
Interest paid			(4,865)		(15,233)
Income taxes paid			-		(63,159)
Net cash inflow/(outflow) from operating activities			<u>292,711</u>		<u>(200,321)</u>
Investing activities					
Purchase of intangible assets		(19,962)		(65,276)	
Purchase of tangible fixed assets		(36,783)		(166,090)	
Proceeds on disposal of investments		10,148,370		-	
Interest received		1,986		13,015	
Net cash generated from/(used in) investing activities			<u>10,093,611</u>		<u>(218,351)</u>
Financing activities					
Payment of finance leases obligations		(23,281)		99,526	
Dividends paid		(10,148,371)		-	
Net cash (used in)/generated from financing activities			<u>(10,171,652)</u>		<u>99,526</u>
Net increase/(decrease) in cash and cash equivalents			<u>214,670</u>		<u>(319,146)</u>
Cash and cash equivalents at beginning of year			<u>497,230</u>		<u>816,376</u>
Cash and cash equivalents at end of year			<u><u>711,900</u></u>		<u><u>497,230</u></u>

IBI INTERNATIONAL LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

IBI International Logistics Limited is a private company limited by shares incorporated in England and Wales. The registered office is Ibex House, 61-65 Baker Street, Weybridge, Surrey, United Kingdom, KT13 8AH. The place of business is Unit 6, Central Park Estate, Staines Road, Hounslow, TW4 5DJ.

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.

These financial statements for the year ended 31 December 2020 are the first financial statements of IBI International Logistics Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2019. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 23.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

IBI International Logistics Limited is a wholly owned subsidiary of BII Inc. and the results of IBI International Logistics Limited are included in the consolidated financial statements of BII Inc. which are available from 37-06, 61st Street, New York, USA, 11377.

1.2 Going concern

During the initial phase of the pandemic the business was challenged due to the impact on the global aviation industry with airlines offering reduced capacity along with increased pricing. However the Company performed well during the early stages due to the opportunity in providing assistance to customers in arranging priority Charter flights in order to move high value goods internationally. With the industry opening up further along in the pandemic this trend has remained with revenue strong.

The business took Covid-19 related Government assistance in order to mitigate the cost of continuous employment for staff where roles would otherwise have been at risk.

The directors have since taken proactive steps to restructure and reduce costs in response to the impact of Covid-19 and although the path of the pandemic and its economic impact remain uncertain, the health and well-being of Employees and Customers remains foremost a priority for the business.

1.3 Turnover

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

While part of the G4S Plc Group the company incurred costs on behalf of the group which were recharged to fellow subsidiaries and earned commission on these recharges. The commission is recorded in revenue.

The company was deemed to be acting as an agent in respect of these arrangements.

IBI INTERNATIONAL LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.4 Intangible fixed assets other than goodwill

Externally purchased computer software is capitalised at cost, net of amortisation and any provision for impairment. Internally generated software is capitalised at the cost of development of the asset excluding research and training. Amortisation is charged on software so as to write off the cost of the assets to their estimated residual values by equal annual instalments over their expected useful economic lives up to a maximum of eight years.

Amortisation 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:

Computer software	3 to 5 years on a straight line basis
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1.5 Tangible fixed assets

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

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	4 years on a straight line basis
Plant and equipment	2 to 5 years on a straight line basis
Computers	2 to 5 years on a straight line basis
Motor vehicles	2 to 5 years on a straight line basis

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.

1.6 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

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.

IBI INTERNATIONAL LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.8 Financial instruments

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.

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.

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.

IBI INTERNATIONAL LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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

In the previous year, The company was a member of the G4S plc Group, and operated both a defined contribution and defined benefit pension schemes. As at the year end, the company only has a defined contribution scheme.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due and represent contributions payable to the schemes for the year.

With respect to the defined benefit schemes, as there is no contractual agreement or stated policy for charging the net defined benefit cost to the company, the pension charge recognised in the income statement represents the contributions payable to the scheme for the year.

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.

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

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.

IBI INTERNATIONAL LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

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

Debtors

Debtors are recorded at the date that the sales invoice is raised to the customer and translated as required at the date of the sales invoice. The year end balance of the customers sales debtors are reviewed by the client and a judgement is made at management's discretion whether the amount that has been invoiced is still considered recoverable from the customer.

Key sources of estimation uncertainty

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

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the asset and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as the working condition of the assets and whether the assets are still in use are both taken into account.

3 Turnover and other revenue

The Company's turnover was all derived from its principal activities. All sales arose from rendering of services. Sales were made in the following geographical markets and included within the revenue in the United Kingdom is £25,719 (2019: £126,316) in respect of commission earned on recharges of costs to the other Group subsidiaries. This commission income ceased in March.

	2020 £	2019 £
Other significant revenue		
Interest income	1,986	13,015
Grants received	140,686	-
	<u>142,672</u>	<u>13,015</u>
	2020 £	2019 £
Turnover analysed by geographical market		
United Kingdom	3,664,478	4,450,026
Overseas	2,186,504	2,865,751
	<u>5,850,982</u>	<u>7,315,777</u>

IBI INTERNATIONAL LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

4 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	39,443	32,696
Depreciation of owned tangible fixed assets	83,693	74,236
Depreciation of tangible fixed assets held under finance leases	24,364	-
Loss on disposal of tangible fixed assets	19,599	-
Amortisation of intangible assets	12,317	9,627
Loss on disposal of intangible assets	73,616	-
Operating lease charges	121,665	138,922

5 Employees

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

2020	2019
Number	Number
22	29

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	685,922	1,942,440
Social security costs	76,278	172,219
Pension costs	36,161	78,537
	798,361	2,193,196

6 Interest payable and similar expenses

	2020	2019
	£	£
Interest on finance leases and hire purchase contracts	2,239	15,233
Other interest	2,626	-
	4,865	15,233

7 Profit on disposal of investment

	2020	2019
	£	£
Gain on disposal of fixed asset investments	9,830,112	-

IBI INTERNATIONAL LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	72,468	(28,164)
Deferred tax		
Origination and reversal of timing differences	18,565	13,064
Total tax charge/(credit)	91,033	(15,100)

The actual charge/(credit) 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:

	2020 £	2019 £
Profit before taxation	9,981,052	15,710
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	1,896,400	2,985
Tax effect of expenses that are not deductible in determining taxable profit	866	10,076
Tax effect of income not taxable in determining taxable profit	(1,867,721)	-
Adjustments in respect of prior years	-	(24,885)
Permanent capital allowances in excess of depreciation	(5,519)	-
Adjustments in respect of financial assets	17,989	-
Effect of overseas tax rates	-	2,511
Transfer pricing adjustment	-	(13,721)
Effects of group relief	-	12,679
Non-qualifying assets	30,453	1,829
Deferred tax adjustment	18,565	(6,574)
Taxation charge/(credit) for the year	91,033	(15,100)

Factors that may affect future tax charges

Increases in the UK corporation tax rate from 19% to 25%, with marginal relief available for profits between £50,000 and £250,000 (effective 1 April 2023) were substantively enacted on 3 March 2021. This will increase the company's future current tax charge accordingly.

IBI INTERNATIONAL LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Intangible fixed assets

	Computer software £
Cost	
At 1 January 2020	1,388,110
Additions	19,962
Disposals	(1,408,072)
At 31 December 2020	-
Amortisation and impairment	
At 1 January 2020	1,322,138
Amortisation charged for the year	12,317
Disposals	(1,334,455)
At 31 December 2020	-
Carrying amount	
At 31 December 2020	-
At 31 December 2019	65,972

10 Tangible fixed assets

	Leasehold land and buildings £	Plant and equipment £	Computers £	Motor vehicles £	Total £
Cost					
At 1 January 2020 restated	285,517	86,022	146,995	111,022	629,556
Additions	36,025	-	758	-	36,783
Disposals	(16,861)	-	(8,503)	-	(25,364)
At 31 December 2020	304,681	86,022	139,250	111,022	640,975
Depreciation and impairment					
At 1 January 2020 restated	108,084	84,643	136,746	1,978	331,451
Depreciation charged in the year	74,443	888	4,970	27,756	108,057
Eliminated in respect of disposals	-	-	(5,766)	-	(5,766)
At 31 December 2020	182,527	85,531	135,950	29,734	433,742
Carrying amount					
At 31 December 2020	122,154	491	3,300	81,288	207,233
At 31 December 2019 restated	177,433	1,379	10,249	109,044	298,105

IBI INTERNATIONAL LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 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.

	2020 £	2019 £
Motor vehicles	73,091	97,455

During the year, the company has adopted FRS 102. As a result of this, the right of use asset previously recognised by the company has been removed from the accounts and the prior year has been restated and the asset has been removed. See note 23 for further information.

11 Fixed asset investments

	Notes	2020 £	2019 £
Investments in subsidiaries		-	318,258

Movements in fixed asset investments

	Shares in subsidiaries £
Cost or valuation	
At 1 January 2020	318,258
Disposals	(318,258)
At 31 December 2020	-
Carrying amount	
At 31 December 2020	-
At 31 December 2019	318,258

12 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	814,706	799,336
Amounts owed by group undertakings	-	731,003
Other debtors	26,563	14,824
Prepayments and accrued income	115,219	110,963
	956,488	1,656,126

IBI INTERNATIONAL LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Debtors			(Continued)
		2020	2019
		£	£
Amounts falling due after more than one year:			
Deferred tax asset (note 16)		51,418	69,983
		<u> </u>	<u> </u>
Total debtors		1,007,906	1,726,109
		<u> </u>	<u> </u>
13 Creditors: amounts falling due within one year			
		2020	2019
	Notes	£	£
Obligations under finance leases	15	19,545	19,440
Trade creditors		503,293	924,250
Amounts owed to group undertakings		13,040	556,571
Corporation tax		72,468	-
Other taxation and social security		28,195	-
Other creditors		26,029	-
Accruals and deferred income		606,058	465,264
		<u> </u>	<u> </u>
		1,268,628	1,965,525
		<u> </u>	<u> </u>
14 Creditors: amounts falling due after more than one year			
		2020	2019
	Notes	£	£
Obligations under finance leases	15	56,700	80,086
		<u> </u>	<u> </u>
Included in creditors is an amount of £76,245 (2019: £99,526) secured on the asset to which the creditor relates.			
15 Finance lease obligations			
		2020	2019
		£	£
Future minimum lease payments due under finance leases:			
Within one year		21,376	21,271
In two to five years		62,041	87,513
		<u> </u>	<u> </u>
		83,417	108,784
Less: future finance charges		(7,172)	(9,258)
		<u> </u>	<u> </u>
		76,245	99,526
		<u> </u>	<u> </u>

IBI INTERNATIONAL LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Finance lease obligations

(Continued)

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 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

16 Deferred taxation

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

	Assets 2020 £	Assets 2019 £
Balances:		
Depreciation in excess of capital allowances	51,418	69,983
	<u>51,418</u>	<u>69,983</u>
Movements in the year:		2020 £
Asset at 1 January 2020		(69,983)
Charge to profit or loss		18,565
		<u>18,565</u>
Asset at 31 December 2020		(51,418)
		<u>(51,418)</u>

17 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	36,161	78,537
	<u>36,161</u>	<u>78,537</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.

Amounts due in relation to defined contribution pension scheme as at 31 December 2020 were £2,187.

18 Share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	196,000	196,000	196,000	196,000
	<u>196,000</u>	<u>196,000</u>	<u>196,000</u>	<u>196,000</u>

IBI INTERNATIONAL LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Operating lease commitments

Lessee

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:

	2020 £	Restated 2019 £
Within one year	108,276	114,471
Between two and five years	173,083	281,359
	<u>281,359</u>	<u>395,830</u>

20 Ultimate controlling party

The ultimate parent company is BII Inc. The registered office and consolidated financial statements of BII Inc and affiliates are available at 37-06, 61st Street, New York, USA, 11377.

The ultimate controlling party is M Shields by virtue of the fact that he owns the majority of share capital in BII Inc.

21 Cash generated from/(absorbed by) operations

	2020 £	2019 £
Profit for the year after tax	9,890,019	30,810
Adjustments for:		
Taxation charged/(credited)	91,033	(15,100)
Finance costs	4,865	15,233
Investment income	(1,986)	(13,015)
Loss on disposal of tangible fixed assets	19,599	-
Loss on disposal of intangible assets	73,616	-
Amortisation and impairment of intangible assets	12,317	9,627
Depreciation and impairment of tangible fixed assets	108,057	74,236
Gain on sale of investments	(9,830,112)	-
Movements in working capital:		
Decrease/(increase) in debtors	699,638	(148,576)
Decrease in creditors	(769,470)	(75,144)
Cash generated from/(absorbed by) operations	<u>297,576</u>	<u>(121,929)</u>

IBI INTERNATIONAL LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

22 Analysis of changes in net funds

	1 January 2020	Cash flows	31 December 2020
	£	£	£
Cash at bank and in hand	497,230	214,670	711,900
Obligations under finance leases	(99,526)	23,281	(76,245)
	<u>397,704</u>	<u>237,951</u>	<u>635,655</u>

IBI INTERNATIONAL LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

23 Reconciliations on adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on: (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under FRS101 are given below.

Reconciliation of equity

	Notes	At 1 January 2019			At 31 December 2019		
		FRS 101 £	Effect of transition £	FRS 102 £	FRS 101 £	Effect of transition £	FRS 102 £
Fixed assets							
Other intangibles		10,323	-	10,323	65,972	-	65,972
Tangible assets		649,841	(434,140)	215,701	638,369	(340,264)	298,105
Investments		127,258	-	127,258	318,258	-	318,258
		<u>787,422</u>	<u>(434,140)</u>	<u>353,282</u>	<u>1,022,599</u>	<u>(340,264)</u>	<u>682,335</u>
Current assets							
Debtors - deferred tax		77,258	-	77,258	69,983	-	69,983
Debtors - other		1,507,550	-	1,507,550	1,656,126	-	1,656,126
Bank and cash		816,376	-	816,376	497,230	-	497,230
		<u>2,401,184</u>	<u>-</u>	<u>2,401,184</u>	<u>2,223,339</u>	<u>-</u>	<u>2,223,339</u>
Creditors due within one year							
Finance leases		-	-	-	(19,440)	-	(19,440)
Taxation		(91,323)	-	(91,323)	-	-	-
Other creditors		(2,024,890)	-	(2,024,890)	(1,946,085)	-	(1,946,085)
		<u>(2,116,213)</u>	<u>-</u>	<u>(2,116,213)</u>	<u>(1,965,525)</u>	<u>-</u>	<u>(1,965,525)</u>
Net current assets		<u>284,971</u>	<u>-</u>	<u>284,971</u>	<u>257,814</u>	<u>-</u>	<u>257,814</u>
Total assets less current liabilities		<u>1,072,393</u>	<u>(434,140)</u>	<u>638,253</u>	<u>1,280,413</u>	<u>(340,264)</u>	<u>940,149</u>
Creditors due after one year							
Finance leases		(434,140)	434,140	-	(420,350)	340,264	(80,086)
Net assets		<u>638,253</u>	<u>-</u>	<u>638,253</u>	<u>860,063</u>	<u>-</u>	<u>860,063</u>
Capital and reserves							
Share capital		196,000	-	196,000	196,000	-	196,000
Profit and loss		633,253	-	633,253	664,063	-	664,063
Total equity		<u>829,253</u>	<u>-</u>	<u>829,253</u>	<u>860,063</u>	<u>-</u>	<u>860,063</u>

IBI INTERNATIONAL LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

23 Reconciliations on adoption of FRS 102

(Continued)

Notes to reconciliations on adoption of FRS 102

The transition from FRS101 to FRS102 occurred on 1 January 2019. The adjustments shown above relate to the elimination of the right of use assets in order to account for the operating leases in accordance with FRS102 and expense the monthly rentals. No adjustment was required to opening equity.

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