

GLOBAL FORWARDING LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 DECEMBER 2019

GLOBAL FORWARDING LIMITED

COMPANY INFORMATION

DIRECTORS

S M T Lam
A Lee
C Lee
C C K Lee
M Royden

REGISTERED NUMBER

02725719

REGISTERED OFFICE

5 Elstree Gate
Elstree Way
Elstree Way
WD6 1JD

INDEPENDENT AUDITORS

Sopher + Co LLP
Chartered Accountants & Statutory Auditors
5 Elstree Gate
Elstree Way
Borehamwood
Hertfordshire
WD6 1JD

GLOBAL FORWARDING LIMITED

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GLOBAL FORWARDING LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 29 DECEMBER 2019

INTRODUCTION

The Group offers a worldwide sea, land and air freight service from offices in North America, Europe and Asia. As part of the Hong Kong based Hecny Group, we have access to over 270 logistics partners (through owned offices and agents) enabling us to reach most parts of all major markets, and negotiate very competitive rates.

The subsidiary Oriental Global Logistics Limited has become fully operational and its results have been consolidated into the financial statements presented.

BUSINESS REVIEW

The performance of the Group was considered good by the directors with an increase in turnover against 2018. At the company level, turnover was up by £4,660,826 compared to 2018. This increase in turnover was due to increases in business from China into the USA, larger volumes of business for Amazon air freighted into the U.K. from China and continued increase in volumes from the US into the Caribbean and Central America market. The Group drives to continue to diversify its business continues to materialise, in both sea, air and 3PL handling. This continues to give Global activity over 7 major trade lanes and markets and less prone to economic turn downs. The company maintains a healthy GP Margin which is continued to be affected by the competition in the market.

PRINCIPAL RISKS AND UNCERTAINTIES

We see two primary risks. A potential trade war due to aggressive US tariffs, this would specifically hinder our Trans Pacific business from China into the US. Secondly, a weaker UK economy due to Brexit. Again, we strive for market diversification by operating in multiple markets and spreading the risk. However as per the risk assessment, it does not anticipate to be heavily affected by Brexit.

The Group trades in the major currencies; Sterling, US dollars and Euros. It minimises any currency risk by settling in cost price currency. A weaker Pound brings export opportunities to the business.

FINANCIAL KEY PERFORMANCE INDICATORS

Key performance indicators are measured on a monthly basis, these cover customer performance, turnover, gross profit, overheads, cash flow and accounts receivable. Each of these are measured against budgets and KPIs by senior management in London and Hong Kong.

This report was approved by the board on 26 October 2020 and signed on its behalf.

.....
M Royden

Director

GLOBAL FORWARDING LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 29 DECEMBER 2019

The directors present their report and the financial statements for the year ended 29 December 2019.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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 Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RESULTS AND DIVIDENDS

The profit for the year, after taxation and minority interests, amounted to £94,950 (2018 - £91,265).

During the year the Company paid dividends of £636,069 (2018 - £nil).

DIRECTORS

The directors who served during the year were:

S M T Lam
A Lee
C Lee
C C K Lee
M Royden

GLOBAL FORWARDING LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 29 DECEMBER 2019**

FUTURE DEVELOPMENTS

The directors see continued growth of business, especially from Asia to USA, where the US economy remains strong not withstanding the increased US import taxes. Hence our parent company are able to lever their large volume in the Trans Pacific market and coupled with the agency set up places Global in a very competitive position in this market.

We will continue to add sales personnel to take advantage of future growth. We believe Asia to UK will see a slight downturn as the U.K economy shrinks in 2020. Trans-Atlantic volumes are expected to be stable. With real term growth coming from the 3PL operation at Heathrow Airport. We also expect to see increases in exports to other markets due to the pounds weakness. We will be placing more attention on the to U.K. Market to offset any loss due to a weaker economy.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

POST BALANCE SHEET EVENTS

The potential impact of the coronavirus is not easily quantifiable at this point in time. Using currently available information the directors have carried out a detailed review of the operations and cash flow requirements of the company for the next twelve months. As part of this exercise revenue streams have been stress tested, operating costs have been reviewed and reduced where possible.

Social distancing measures have not affected the day to day operations. Employees have been provided with all the necessary facilities to be able to work safely and so far no major problem has been reported.

After considering all the above the directors are confident that the company will have sufficient funds to be able to meet its financial obligations as and when they arise for at least twelve months from the date the financial statements are approved.

AUDITORS

Under section 487(2) of the Companies Act 2006, Sopher + Co LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 26 October 2020 and signed on its behalf.

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M Royden

Director

GLOBAL FORWARDING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOBAL FORWARDING LIMITED

OPINION

We have audited the financial statements of Global Forwarding Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 29 December 2019, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 29 December 2019 and of the Group's 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

GLOBAL FORWARDING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOBAL FORWARDING LIMITED (CONTINUED)

work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER 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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement on page 2, 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 Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

GLOBAL FORWARDING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOBAL FORWARDING LIMITED (CONTINUED)

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

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

USE OF OUR REPORT

This report is made solely to the Company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.

Sean Brennan FCCA (Senior Statutory Auditor)

for and on behalf of

Sopher + Co LLP

Chartered Accountants

Statutory Auditors

5 Elstree Gate

Elstree Way

Borehamwood

Hertfordshire

WD6 1JD

26 October 2020

GLOBAL FORWARDING LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 29 DECEMBER 2019

	Note	2019 £
Turnover	4	38,137,503
Cost of sales		(32,366,051)
GROSS PROFIT		5,771,452
Administrative expenses		(5,401,529)
Exceptional administrative expenses		(128,311)
OPERATING PROFIT	5	241,612
Interest receivable and similar income	9	4,843
Interest payable and expenses	10	-
PROFIT BEFORE TAX		246,455
Tax on profit	11	(71,605)
PROFIT FOR THE FINANCIAL YEAR		174,850
PROFIT FOR THE YEAR ATTRIBUTABLE TO:		
Non-controlling interest		79,900
Owners of the parent company		94,950
		174,850

The notes on pages 12 to 24 form part of these financial statements.

GLOBAL FORWARDING LIMITED
REGISTERED NUMBER:02725719

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 29 DECEMBER 2019

	Note	2019 £
FIXED ASSETS		
Tangible assets	15	52,147
CURRENT ASSETS		
Debtors	17	11,213,046
Bank and cash balances		1,197,465
		<u>12,410,511</u>
CURRENT LIABILITIES		
Creditors: amounts falling due within one year	18	<u>(12,058,992)</u>
NET CURRENT ASSETS		<u>351,519</u>
NET ASSETS		<u>403,666</u>
CAPITAL AND RESERVES		
Called up share capital	19	100
Profit and loss account	20	323,617
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		<u>323,717</u>
Non-controlling interests		79,949
		<u>403,666</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 October 2020.

.....
M Royden
Director

The notes on pages 12 to 24 form part of these financial statements.

GLOBAL FORWARDING LIMITED
REGISTERED NUMBER:02725719

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 29 DECEMBER 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	15	33,843	24,360
Investments	16	51	51
		<u>33,894</u>	<u>24,411</u>
CURRENT ASSETS			
Debtors	17	10,802,484	10,618,206
Bank and cash balances		736,251	683,370
		<u>11,538,735</u>	<u>11,301,576</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	18	(11,332,074)	(10,461,151)
		<u>206,661</u>	<u>840,425</u>
NET CURRENT ASSETS			
		<u>240,555</u>	<u>864,836</u>
NET ASSETS			
CAPITAL AND RESERVES			
Called up share capital	19	100	100
Profit and loss account	20	240,455	864,736
		<u>240,555</u>	<u>864,836</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 October 2020.

.....
M Royden
Director

The notes on pages 12 to 24 form part of these financial statements.

GLOBAL FORWARDING LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 DECEMBER 2019

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Non-controlling interests	Total equity
	£	£	£	£	£
At 30 December 2018	100	864,736	864,836	49	864,885
Profit for the year	-	94,950	94,950	79,900	174,850
Dividends: Equity capital	-	(636,069)	(636,069)	-	(636,069)
AT 29 DECEMBER 2019	100	323,617	323,717	79,949	403,666

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 DECEMBER 2018

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Non-controlling interests	Total equity
	£	£	£	£	£
At 1 December 2017	100	773,471	773,571	49	773,620
Profit for the year	-	91,265	91,265	-	91,265
AT 29 DECEMBER 2018	100	864,736	864,836	49	864,885

The notes on pages 12 to 24 form part of these financial statements.

GLOBAL FORWARDING LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 DECEMBER 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 30 December 2018	100	864,736	864,836
Profit for the year	-	11,788	11,788
Dividends: Equity capital	-	(636,069)	(636,069)
AT 29 DECEMBER 2019	100	240,455	240,555

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 DECEMBER 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 December 2017	100	773,471	773,571
Profit for the year	-	91,265	91,265
AT 29 DECEMBER 2018	100	864,736	864,836

The notes on pages 12 to 24 form part of these financial statements.

GLOBAL FORWARDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 DECEMBER 2019

1. GENERAL INFORMATION

Global Forwarding Limited is a Limited Company incorporated and domiciled in England & Wales, with its registered office address at 5 Elstree Gate, Elstree Way, Borehamwood, WD6 1JD. Its principal place of business is Symal House, 423 Edgware Road, London, NW9 0HU.

The principal activity of the Company continued to be that of a freight forwarder.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 TURNOVER

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

In accordance with the principle activities, the Company recognises turnover on the date of dispatch of freight and the Subsidiary recognises turnover on the date of arrival of freight.

GLOBAL FORWARDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2019

2. ACCOUNTING POLICIES (continued)

2.4 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.5 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method and the reducing balance method.

Depreciation is provided on the following basis:

Short-term leasehold property	-	Straight line over the term of the lease
Fixtures and fittings	-	15% reducing balance
Office equipment	-	
Computer equipment	-	50% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.6 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

GLOBAL FORWARDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 DECEMBER 2019

2. ACCOUNTING POLICIES (continued)

2.7 BASIC FINANCIAL INSTRUMENTS

The Company only enters into transactions that result in basic financial instruments such as trade and other debtors, trade and other creditors, cash at bank and in hand, loans to/from related parties.

Trade debtors, other debtors and loans to related parties are recognised initially at the transaction price less attributable transaction costs. Trade creditors, other creditors and loans from related parties are recognised initially at transaction price plus attributable transaction costs. Subsequently they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade and other debtors, and loans to related parties.

Interest bearing borrowings, such bank loans, classified as basic financial instruments are recognised

initially at the present value of future payments discounted at a market rate of interest. Thereafter they are stated at amortised cost using the effective interest method.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.8 FOREIGN CURRENCY TRANSLATION

The Company's functional and presentational currency is £ Sterling.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Exchange gains and losses are recognised in the Statement of Comprehensive Income.

2.9 FINANCE COSTS

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.10 OPERATING LEASES: THE GROUP AS LESSEE

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.11 PENSIONS

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.12 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

GLOBAL FORWARDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2019

2. ACCOUNTING POLICIES (continued)

2.13 TAXATION

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

2.14 EXCEPTIONAL ITEMS

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

3.

JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Company's accounting policies, which are described above, management has not made any critical judgements or key estimations that have a significant effect on the amounts recognised in the Financial Statements.

4. TURNOVER

The whole of the turnover is attributable to the Group's principle activity.

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	7,520,917	7,310,612
Rest of Europe	458,785	380,955
Rest of the world	30,157,801	20,784,166
	<u>38,137,503</u>	<u>28,475,733</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	2019 £	2018 £
Exchange differences	124,598	(103,397)
Other operating lease rentals	<u>53,549</u>	<u>52,557</u>

GLOBAL FORWARDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2019

6. AUDITORS' REMUNERATION

	2019 £	2018 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	<u>27,000</u>	<u>16,600</u>

7. EMPLOYEES

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Sales, administration and support	<u>48</u>	<u>37</u>

8. DIRECTORS' REMUNERATION

	2019 £	2018 £
Directors' emoluments	891,903	587,414

9. INTEREST RECEIVABLE

	2019 £	2018 £
Other interest receivable	<u>4,843</u>	<u>1,470</u>

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 £	2018 £
Other interest payable	<u>-</u>	<u>71</u>

GLOBAL FORWARDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2019

11. TAXATION

	2019 £	2018 £
CORPORATION TAX		
Current tax on profits for the year	70,556	67,358
FOREIGN TAX		
Foreign tax on income for the year	1,049	38,002
TOTAL CURRENT TAX	71,605	105,360

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	246,455	196,625
Profit on ordinary activities multiplied by composite rate of corporation tax in the UK of 19% (2018 - 19%)	46,826	37,359
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	28,759	28,227
Capital allowances for year in excess of depreciation	(5,029)	1,772
Higher rate taxes on overseas earnings	1,049	38,002
TOTAL TAX CHARGE FOR THE YEAR	71,605	105,360

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

12. DIVIDENDS

	2019 £	2018 £
Dividends	636,069	-

GLOBAL FORWARDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2019

13. EXCEPTIONAL ITEMS

	2019 £	2018 £
Capital contribution for group acquisition	128,311	128,311
	<u>128,311</u>	<u>128,311</u>

14. INTANGIBLE ASSETS

Group

	Goodwill £
COST	
At 30 December 2018	50,000
At 29 December 2019	<u>50,000</u>
AMORTISATION	
At 30 December 2018	50,000
At 29 December 2019	<u>50,000</u>
NET BOOK VALUE	
At 29 December 2019	<u>-</u>
At 29 December 2018	<u>-</u>

GLOBAL FORWARDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2019

14. INTANGIBLE ASSETS (CONTINUED)

Company

	Goodwill £
COST	
At 30 December 2018	50,000
At 29 December 2019	50,000
AMORTISATION	
At 30 December 2018	50,000
At 29 December 2019	50,000
NET BOOK VALUE	
At 29 December 2019	-
At 29 December 2018	-

GLOBAL FORWARDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2019

15. TANGIBLE FIXED ASSETS

Group

	Short-term leasehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
COST OR VALUATION					
At 30 December 2018	31,900	35,751	-	72,162	139,813
Additions	24,883	-	853	19,751	45,487
At 29 December 2019	<u>56,783</u>	<u>35,751</u>	<u>853</u>	<u>91,913</u>	<u>185,300</u>
DEPRECIATION					
At 30 December 2018	31,900	26,214	-	57,339	115,453
Charge for the year on owned assets	6,864	1,430	568	8,838	17,700
At 29 December 2019	<u>38,764</u>	<u>27,644</u>	<u>568</u>	<u>66,177</u>	<u>133,153</u>
NET BOOK VALUE					
At 29 December 2019	<u>18,019</u>	<u>8,107</u>	<u>285</u>	<u>25,736</u>	<u>52,147</u>
At 29 December 2018	<u>-</u>	<u>9,537</u>	<u>-</u>	<u>14,823</u>	<u>24,360</u>

The net book value of land and buildings may be further analysed as follows:

	2019 £	2018 £
Short leasehold	<u>18,019</u>	<u>-</u>

GLOBAL FORWARDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2019

15. TANGIBLE FIXED ASSETS (CONTINUED)

Company

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
COST OR VALUATION				
At 30 December 2018	31,900	35,751	72,162	139,813
Additions	-	-	19,751	19,751
At 29 December 2019	31,900	35,751	91,913	159,564
DEPRECIATION				
At 30 December 2018	31,900	26,214	57,339	115,453
Charge for the year on owned assets	-	1,430	8,838	10,268
At 29 December 2019	31,900	27,644	66,177	125,721
NET BOOK VALUE				
At 29 December 2019	-	8,107	25,736	33,843
At 29 December 2018	-	9,537	14,823	24,360

GLOBAL FORWARDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2019

16. FIXED ASSET INVESTMENTS

Company

	Investments in subsidiary companies £
COST OR VALUATION	
At 30 December 2018	51
At 29 December 2019	51
NET BOOK VALUE	
At 29 December 2019	51
At 29 December 2018	51

SUBSIDIARY UNDERTAKING

The following was a subsidiary undertaking of the Company:

Name	Class of shares	Holding
Oriental Global Logistics Limited	Ordinary	51 %

The aggregate of the share capital and reserves as at 29 December 2019 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves	Profit/(Loss)
Oriental Global Logistics Limited	163,162	163,062

GLOBAL FORWARDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2019

17. DEBTORS

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
DUE AFTER MORE THAN ONE YEAR				
Other debtors	56,995	22,446	56,995	22,446
	<u>56,995</u>	<u>22,446</u>	<u>56,995</u>	<u>22,446</u>
DUE WITHIN ONE YEAR				
Trade debtors	7,014,989	4,955,685	5,932,450	4,955,685
Amounts owed by group undertakings	342,042	1,725,996	1,611,145	1,725,996
Amounts owed by joint ventures and associated undertakings	49	49	-	-
Other debtors	497,078	375,083	338,832	375,083
Called up share capital not paid	100	100	100	100
Prepayments and accrued income	3,301,793	3,538,896	2,862,962	3,538,896
	<u>11,213,046</u>	<u>10,618,255</u>	<u>10,802,484</u>	<u>10,618,206</u>

18. CREDITORS: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade creditors	4,423,184	4,291,312	4,091,574	4,291,312
Amounts owed to group undertakings	4,170,073	3,194,257	4,053,027	3,194,257
Taxation and social security	159,180	133,216	108,752	133,217
Other creditors	84,790	80,562	84,790	80,562
Accruals and deferred income	3,221,765	2,761,803	2,993,931	2,761,803
	<u>12,058,992</u>	<u>10,461,150</u>	<u>11,332,074</u>	<u>10,461,151</u>

19. SHARE CAPITAL

	2019 £	2018 £
Allotted, called up and fully paid		
100 (2018 - 100) A Class Ordinary shares of £1 each	<u>100</u>	<u>100</u>

GLOBAL FORWARDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2019**

20. RESERVES

Profit and loss account

The profit and loss reserve contains the cumulative balance of retained profit and losses since the Company started trading.

21. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £6,968 (2018 - £3,466).

22. COMMITMENTS UNDER OPERATING LEASES

At 29 December 2019 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2019 £	Group 2018 £
Not later than 1 year	153,973	146,818
Later than 1 year and not later than 5 years	278,759	432,732
	<u>432,732</u>	<u>579,550</u>

23. FINANCIAL INSTRUMENTS

The Company only enters into transactions that result in the recognition of basic financial assets and basic financial liabilities. It does not have financial assets and liabilities measured at fair value.

24. RELATED PARTY TRANSACTIONS

During the year the Company made purchases of £4,583,000 (2018 - £4,592,269) from, entities within the Group.

At the balance sheet date the Company owed £4,055,563 (2018 - £2,937,635) to, and was owed £378,675 (2018 - £1,762,944) by, entities within the Group.

During the year a handling fee of £207,065 (2018 - £109,195) was paid to fellow subsidiary of the parent company.

25. CONTROLLING PARTY

The immediate parent undertaking is Via Global Limited.

The directors consider that the ultimate controlling party is Hecny Transportation Limited, a company incorporated in Hong Kong.

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