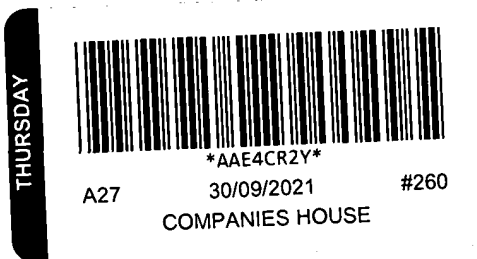


**WORLDWIDE FREIGHT LOGISTICS LIMITED**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2020**



**WORLDWIDE FREIGHT LOGISTICS LIMITED**

**COMPANY INFORMATION**

**Directors**

N R Fattal  
A Hershman  
F Miller (appointed 29 April 2021)  
J Zitek (appointed 29 April 2021)

**Registered number**

10551180

**Registered office**

Kemp House  
160 City Road  
London  
United Kingdom  
EC1V2NX

**Independent auditors**

Cooper Parry Group Limited  
Chartered Accountants & Statutory Auditor  
MindSpace  
9 Appold Street  
London  
EC2A 2AP

**WORLDWIDE FREIGHT LOGISTICS LIMITED**

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## WORLDWIDE FREIGHT LOGISTICS LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

#### Introduction

The directors present the strategic report for the year ended 31 December 2020.

#### Business review

The business grew significantly through the year, despite the global pandemic which did create some challenges both operational and commercial. Progress made is reflected in the growth in Revenue as well as the headcount. The business made significant investment and progress in development of its innovative platform which it plans to continue to capitalise on in coming years.

#### Principal risks and uncertainties

##### Market Price Risk

Risk in this area will be managed by contracting forward or buying at spot prices as appropriate, as well as investing into skilled personnel to manage this risk. The company will also continue to build and maintain strong relationships with its key suppliers.

##### Foreign Exchange Risk

The company benefits from some natural hedge in its cash flows and will seek to mitigate further foreign exchange risk via contracting forward or buying at spot prices as appropriate.

##### Liquidity Risk

Worldwide Freight Logistics Limited keeps an active control of its working capital to minimise the liquidity risk as well as active forecasting and planning around seeking new funds into the business via equity and debt

##### Credit Risk

The company conducts due diligence on new customers and engages with leading credit insurers across its Accounts Receivable. Management reviews and proactively responds to any ageing or perceived elevation of risk.

#### Financial key performance indicators

The management have identified the following KPIs to explain the company performance as these illustrate the key year on year movements:

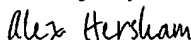
- Sales growth, an increase of £14m or 109% on prior year.
- Gross profit margin, an increase of 0.9m or 81% on prior year.

#### Future development

The future outlook is positive as the business looks to invest the proceeds of its successful Series B capital raise in April 2021 into growing headcount across the business so it can reach its full potential in the growing markets in which it operates.

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

DocuSigned by:



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**A Hershman**  
Director

Date: 30 September 2021

## **WORLDWIDE FREIGHT LOGISTICS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

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

#### **Directors' responsibilities statement**

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 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 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 company'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 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £4,020,160 (2019: loss £3,362,326).

The directors have not declared or paid a dividend in the year (2019:£Nil)

#### **Directors**

The directors who served during the year is stated on the company information page.

**WORLDWIDE FREIGHT LOGISTICS LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**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'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's auditors are aware of that information.

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

DocuSigned by:

*Alex Hershman*

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**A Hershman**

Director

Date: 30 September 2021

## WORLDWIDE FREIGHT LOGISTICS LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WORLDWIDE FREIGHT LOGISTICS LIMITED

#### Opinion

We have audited the financial statements of Worldwide Freight Logistics Limited (the 'company') for the year ended 31 December 2020, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the 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 company's affairs as at 31 December 2020 and of its loss 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 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

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.

## WORLDWIDE FREIGHT LOGISTICS LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WORLDWIDE FREIGHT LOGISTICS LIMITED (CONTINUED)

#### Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

#### 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 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 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, 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.

#### Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out 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 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.

## WORLDWIDE FREIGHT LOGISTICS LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WORLDWIDE FREIGHT LOGISTICS 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.

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 are not responsible for preventing irregularities. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, include, but was not limited to, the following:

- obtain an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework, including a enquires of management, review of legal and professional nominal codes and board minutes in the year and post year end;
- obtain an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions;
- obtain an understanding of the entity's risk assessment process, including the risk of fraud;
- we enquired with management as to where they considered there was susceptibility to fraud, and their knowledge of actual, suspected or alleged fraud;
- designing our audit procedures to respond to our risk assessment; and
- performing audit testing over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, the review of cash books for the year and post year end and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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. This 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 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 Auditors' report.

#### **Other matter**

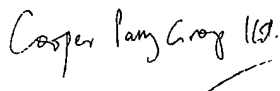
The figures included within the comparatives are unaudited.

**WORLDWIDE FREIGHT LOGISTICS LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WORLDWIDE FREIGHT LOGISTICS  
LIMITED (CONTINUED)**

**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 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, as a body, for our audit work, for this report, or for the opinions we have formed.



Steve Leith (Senior Statutory Auditor)

for and on behalf of

**Cooper Parry Group Limited**

Chartered Accountants  
Statutory Auditor

Mindspace  
9 Appold Street  
London  
EC2A 2AP  
Date: 30.09.21

## WORLDWIDE FREIGHT LOGISTICS LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	Unaudited 2019 £
Turnover	3	26,827,409	12,919,868
Cost of sales		(24,849,817)	(11,799,729)
<b>Gross profit</b>		<u>1,977,592</u>	<u>1,120,139</u>
Administrative expenses		(6,831,360)	(4,696,308)
Other operating income	4	113,765	-
<b>Operating loss</b>		<u>(4,740,003)</u>	<u>(3,576,169)</u>
Interest receivable and similar income	8	1,111	-
Interest payable and similar expenses	9	(97,352)	(122,092)
<b>Loss before tax</b>		<u>(4,836,244)</u>	<u>(3,698,261)</u>
Tax on loss	10	816,084	335,935
<b>Loss for the financial year</b>		<u><u>(4,020,160)</u></u>	<u><u>(3,362,326)</u></u>

The notes on pages 14 to 26 form part of these financial statements.

**WORLDWIDE FREIGHT LOGISTICS LIMITED**  
**REGISTERED NUMBER: 10551180**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	Unaudited 2019 £
<b>Fixed assets</b>			
Intangible assets	11	1,825,282	653,327
Tangible assets	12	148,719	146,767
		1,974,001	800,094
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	6,990,248	4,989,998
Cash at bank and in hand		7,916,416	7,021,137
		14,906,664	12,011,135
<b>Creditors: amounts falling due within one year</b>	14	(8,111,819)	(2,808,728)
<b>Net current assets</b>		6,794,845	9,202,407
<b>Total assets less current liabilities</b>		8,768,846	10,002,501
<b>Provisions for liabilities</b>			
Other provision	15	(20,919)	(20,919)
		(20,919)	(20,919)
<b>Net assets</b>		8,747,927	9,981,582
<b>Capital and reserves</b>			
Called up share capital	16	293	234
Share premium account	17	17,269,850	14,719,593
Profit and loss account	17	(8,522,216)	(4,738,245)
<b>Shareholders' funds</b>		8,747,927	9,981,582

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

*Alex Hershman*

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**A Hershman**  
 Director

Date: 30 September 2021

The notes on pages 14 to 26 form part of these financial statements.

## WORLDWIDE FREIGHT LOGISTICS LIMITED

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2020	234	14,719,593	(4,738,245)	9,981,582
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(4,020,160)	(4,020,160)
Share based payment charge for the period	-	-	236,189	236,189
Shares issued during the year	59	2,550,257	-	2,550,316
<b>At 31 December 2020</b>	<b>293</b>	<b>17,269,850</b>	<b>(8,522,216)</b>	<b>8,747,927</b>

The notes on pages 14 to 26 form part of these financial statements.

**WORLDWIDE FREIGHT LOGISTICS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2019	194	3,072,558	(1,580,728)	1,492,024
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(3,362,326)	(3,362,326)
Share based payment charge for the period	-	-	204,809	204,809
Shares issued during the year	40	11,647,035	-	11,647,075
<b>At 31 December 2019</b>	<b>234</b>	<b>14,719,593</b>	<b>(4,738,245)</b>	<b>9,981,582</b>

The notes on pages 14 to 26 form part of these financial statements.

## WORLDWIDE FREIGHT LOGISTICS LIMITED

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	Unaudited 2019 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(4,020,160)	(3,362,326)
<b>Adjustments for:</b>		
Amortisation of intangible assets	328,861	-
Depreciation of tangible assets	85,561	47,823
Loss on disposal of tangible assets	11,068	-
Interest paid	97,352	122,092
Interest received	(1,111)	-
Taxation charge	(816,084)	(335,935)
(Increase) in debtors	(1,809,702)	(3,281,356)
Increase in creditors	4,307,480	1,277,409
Corporation tax received	625,536	-
Share based payment charge	236,189	204,809
<b>Net cash generated from operating activities</b>	<u>(955,010)</u>	<u>(5,327,484)</u>
<b>Cash flows from investing activities</b>		
Intangible fixed assets additions	(1,500,816)	(653,327)
Purchase of tangible fixed assets	(98,581)	(194,590)
Interest received	1,111	-
<b>Net cash from investing activities</b>	<u>(1,598,286)</u>	<u>(847,917)</u>
<b>Cash flows from financing activities</b>		
Issue of shares	2,550,316	11,647,075
Movements on invoice discounting	995,611	500,000
Interest paid	(97,352)	(122,092)
<b>Net cash used in financing activities</b>	<u>3,448,575</u>	<u>12,024,983</u>
<b>Net increase in cash and cash equivalents</b>	895,279	5,849,582
Cash and cash equivalents at beginning of year	7,021,137	1,171,555
<b>Cash and cash equivalents at the end of year</b>	<u>7,916,416</u>	<u>7,021,137</u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	7,916,416	7,021,137
	<u>7,916,416</u>	<u>7,021,137</u>

The notes on pages 14 to 26 form part of these financial statements.

**WORLDWIDE FREIGHT LOGISTICS LIMITED**

**ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>At 1 January 2020 £</b>	<b>Cash flows £</b>	<b>At 31 December 2020 £</b>
Cash at bank and in hand	7,021,137	895,279	7,916,416
Invoice discount facility	(500,000)	(995,611)	(1,495,611)
	<u>6,521,137</u>	<u>(100,332)</u>	<u>6,420,805</u>

The notes on pages 14 to 26 form part of these financial statements.

## WORLDWIDE FREIGHT LOGISTICS LIMITED

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

#### 1. Accounting policies

Worldwide Freight Logistics Limited (the company) is a private company limited by shares incorporated and domiciled in the United Kingdom. The address of its registered office is disclosed on the company information page.

##### 1.1 Basis of preparation of financial statements

The financial statements are prepared in sterling (£), which is the functional currency of the company. The financial statements are for the year ended 31 December 2020 (2019: year ended 31 December 2019).

The financial statements have been prepared on a going concern basis 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 management to exercise judgment in applying the company's accounting policies (see note 2).

The following principal accounting policies have been applied:

##### 1.2 Going concern

At the balance sheet date the company had a significant cash balance and strong net current asset position. At the time of signing these accounts, the directors have considered the effect of the Coronavirus on the going concern position, and consider that this does indicate that the company will continue to trade for a period of at least 12 months from the date of signing these accounts.

The financial forecasts prepared by the directors show that the company will be able to operate within the facilities available to it and show substantial growth in the next 12 months.

On that basis, the directors have prepared these financial statements on a going concern basis.

##### 1.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company 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.

##### 1.4 Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

##### 1.5 Finance costs

Finance costs are charged to profit or loss 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. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**WORLDWIDE FREIGHT LOGISTICS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020****1. Accounting policies (continued)****1.6 Pensions**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company 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 Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

**1.7 Share based payments**

The company operates a share based payment scheme which allows employees to acquire shares in the company. The grant date fair value of share-based payment awards granted is recognised as an employee expense with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards.

The fair value of the options granted is measured using an option pricing model, taking into account the terms and conditions upon which the options were granted. The fair value will be charged as an expense in the profit and loss account over the vesting period and the charge is adjusted each year to reflect the expected and actual level of vesting.

**1.8 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. 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 balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**1.9 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.

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.

**WORLDWIDE FREIGHT LOGISTICS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020****1. Accounting policies (continued)****1.10 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.

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.

Depreciation is provided on the following basis:

Leasehold Improvements	- 2 years
Fixtures and fittings	- 3 years
Computer equipment	- 3 years

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 and loss.

**1.11 Provisions**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking in to account the risks and uncertainties surrounding the obligation.

**1.12 Financial instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, loans from banks and other third parties and loans with related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently amortised cost.

**WORLDWIDE FREIGHT LOGISTICS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020****2. Judgments in applying accounting policies and key sources of estimation uncertainty**

The directors make estimates and assumptions concerning the future. The directors are also required to exercise judgement in the process of applying the group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

**Impairment of fixed assets**

The directors assesses the impairment of fixed assets subject to depreciation whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Factors considered important that could trigger an impairment review include the following:

- Significant under performance relative to historical or projected future operating results;
- Significant changes in the use of the acquired assets or the business strategy; and
- Significant negative industry or economic trends.

**Depreciation and residual values**

The directors have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

**Impairment of investments**

The directors review the carrying value of investments for indications of impairment at each period end. If indicators of impairment exist, the carrying value of the investment is subject to further testing to determine whether its carrying value exceeds the recoverable amount. This process will usually involve the estimation of future cash flows which are likely to be generated by the asset.

**Recoverability of trade debtors**

Trade and other debtors are recognised to the extent that they are judged recoverable. The directors' reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain. The directors make allowance for doubtful debts based on an assessment of the recoverability of debtors.

Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The directors specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the profit and loss account.

**Leases**

The directors determine whether leases entered into by the group either as a lessor or lessee are an operating leases or a finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the group on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

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**2. Judgments in applying accounting policies (continued)**

**Taxation**

There are many transactions and calculations for which the ultimate tax determination is uncertain. The group takes professional advice on its tax affairs and recognises liabilities for anticipated tax based on estimates of what taxation is likely to be due.

Management estimation is required to determine the amount of any deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits.

**Provisions**

A provision is recognised when the group has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

**Fair value calculations**

Management believe the estimates used to establish a fair value for share based payments instrument using the Black Scholes pricing model are a key source of estimation uncertainty. The inputs to the fair value model reflect managements best estimate.

**3. Turnover**

The whole of the turnover is attributable to the main principal activity of the company.

Analysis of turnover by country of destination:

	2020 £	Unaudited 2019 £
United Kingdom	22,644,294	9,868,526
Rest of the world	4,183,115	3,051,342
	<u>26,827,409</u>	<u>12,919,868</u>

**4. Other operating income**

	2020 £	Unaudited 2019 £
Government grants	113,765	-
	<u>113,765</u>	<u>-</u>

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**5. Auditors' remuneration**

	<b>2020</b>	<b>Unaudited</b>
	<b>£</b>	<b>2019</b>
		<b>£</b>
Fees payable to the company's auditor for the audit of the company's annual financial statements	24,500	-
	<u>24,500</u>	<u>-</u>
<b>Fees payable to the company's auditor in respect of:</b>		
Taxation compliance services	5,000	-
	<u>5,000</u>	<u>-</u>

**6. Employees**

Staff costs, including directors' remuneration, were as follows:

	<b>2020</b>	<b>Unaudited</b>
	<b>£</b>	<b>2019</b>
		<b>£</b>
Wages and salaries	5,820,134	2,797,256
Social security costs	496,740	281,024
Defined contribution pension costs	66,891	33,044
	<u>6,383,765</u>	<u>3,111,324</u>

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

	<b>2020</b>	<b>Unaudited</b>
	<b>No.</b>	<b>2019</b>
		<b>No.</b>
Average numbers of employees	81	49
	<u>81</u>	<u>49</u>

**7. Directors' remuneration**

	<b>2020</b>	<b>Unaudited</b>
	<b>£</b>	<b>2019</b>
		<b>£</b>
Directors' emoluments	101,594	130,000
Company contributions to defined contribution pension schemes	5,192	1,974
	<u>106,786</u>	<u>131,974</u>

During the year retirement benefits were accruing to 2 directors (2019 - 1) in respect of defined contribution pension schemes.

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## 8. Interest receivable

	2020 £	Unaudited 2019 £
Bank interest receivable	1,111	-
	<u>1,111</u>	<u>-</u>

## 9. Interest payable and similar expenses

	2020 £	Unaudited 2019 £
Bank interest payable	97,352	122,092
	<u>97,352</u>	<u>122,092</u>

## 10. Taxation

	2020 £	Unaudited 2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	(700,548)	(335,935)
Adjustments in respect of previous periods	(115,536)	-
	<u>(816,084)</u>	<u>(335,935)</u>
<b>Total current tax</b>	<u>(816,084)</u>	<u>(335,935)</u>
<b>Deferred tax</b>		
<b>Total deferred tax</b>	<u>-</u>	<u>-</u>
<b>Taxation on loss on ordinary activities</b>	<u>(816,084)</u>	<u>(335,935)</u>

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**10. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (April 2020 : lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2020 £	Unaudited 2019 £
Loss on ordinary activities before tax	(4,836,244)	(3,698,261)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(918,886)	(702,670)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	10,212	112,900
Adjustments to tax charge in respect of prior periods	(115,536)	-
Deferred tax not recognised	579,468	589,770
Remeasurement of deferred tax for changes in tax rates	(69,907)	-
Adjustment for research and development tax credit	(518,847)	(335,935)
Surrender of tax losses for R&D tax credit	217,412	-
<b>Total tax charge for the year</b>	<b>(816,084)</b>	<b>(335,935)</b>

**Factors that may affect future tax charges**

On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023.

There is an unrecognised deferred tax asset for tax losses carried forward in the sum of £1,550,355 (2019: £664,117).

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## 11. Intangible assets

	Development expenditure £	Computer software £	Total £
<b>Cost</b>			
At 1 January 2020	633,400	19,927	653,327
Additions	1,490,853	9,963	1,500,816
At 31 December 2020	<u>2,124,253</u>	<u>29,890</u>	<u>2,154,143</u>
<b>Amortisation</b>			
Charge for the year	320,558	8,303	328,861
At 31 December 2020	<u>320,558</u>	<u>8,303</u>	<u>328,861</u>
<b>Net book value</b>			
At 31 December 2020	<u>1,803,695</u>	<u>21,587</u>	<u>1,825,282</u>
At 31 December 2019	<u>633,400</u>	<u>19,927</u>	<u>653,327</u>

## 12. Tangible fixed assets

	Land and Buildings £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2020	59,930	50,094	84,566	194,590
Additions	-	2,082	96,499	98,581
Disposals	-	-	(11,068)	(11,068)
At 31 December 2020	<u>59,930</u>	<u>52,176</u>	<u>169,997</u>	<u>282,103</u>
<b>Depreciation</b>				
At 1 January 2020	23,260	8,977	15,586	47,823
Charge for the year on owned assets	29,965	17,372	38,224	85,561
At 31 December 2020	<u>53,225</u>	<u>26,349</u>	<u>53,810</u>	<u>133,384</u>
<b>Net book value</b>				
At 31 December 2020	<u>6,705</u>	<u>25,827</u>	<u>116,187</u>	<u>148,719</u>
At 31 December 2019	<u>36,670</u>	<u>41,117</u>	<u>68,980</u>	<u>146,767</u>

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**13. Debtors**

	2020 £	Unaudited 2019 £
Trade debtors	4,651,407	3,899,376
Other debtors	786,959	762,713
Prepayments and accrued income	1,551,882	327,909
	<u>6,990,248</u>	<u>4,989,998</u>

**14. Creditors: Amounts falling due within one year**

	2020 £	Unaudited 2019 £
Trade creditors	4,523,621	1,927,494
Other taxation and social security	392,024	186,774
Invoice discounting facility	1,495,611	500,000
Other creditors	172,438	13,031
Accruals and deferred income	1,528,125	181,429
	<u>8,111,819</u>	<u>2,808,728</u>

**15. Deferred taxation**

	2020 £
At beginning of year	(20,919)
Charged to profit or loss	-
<b>At end of year</b>	<u>(20,919)</u>

The provision for deferred taxation is made up as follows:

	2020 £	Unaudited 2019 £
Accelerated capital allowances	(20,919)	(20,919)
	<u>(20,919)</u>	<u>(20,919)</u>

**16. Share capital**

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	<b>2020</b>	<b>Unaudited 2019</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
1,560,963 (2019: 1,551,800) Ordinary shares of £0.0001 each	156	155
437,626 (2019: 437,600) Seed Preferred shares of £0.0001 each	44	44
930,325 (2019: 350,000) Series A shares of £0.0001 each	93	35
	293	234
	293	234

**17. Reserves**

**Share premium account**

Amount subscribed for share capital in excess of nominal value, net of any issue costs.

**Profit and loss account**

Cumulative profits or losses, net of dividends paid and other adjustments.

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**18. Share based payments**

The company operates an equity-settled share based remuneration scheme for employees. The share options issues can only be exercised on an exit event. Details of the options issued are shown below:

	<b>Weighted average exercise price (pence) 2020</b>	<b>Number 2020</b>	<b>Weighted average exercise price (pence) 2019</b>	<b>Number 2019</b>
Outstanding at the beginning of the year	0.01	135,940	0.01	101,881
Granted during the year	0.01	89,666	0.01	46,835
Forfeited during the year	0.01	(30,438)	0.01	(12,776)
Exercised during the year	0.01	(15,090)		-
<b>Outstanding at the end of the year</b>	<b>0.01</b>	<b>180,078</b>	<b>0.01</b>	<b>135,940</b>

	<b>2020 Black Scholes</b>	<b>2019 Black Scholes</b>
Option pricing model used		
Weighted average share price (pence)	13.66	13.66
Exercise price (pence)	0.01	0.01
Weighted average contractual life (years)	10	10
Expected volatility	15%	15%
Risk-free interest rate	0.05%	0.05%

The Black Scholes option pricing model was used to value the share based payment awards as it was considered that this would result in a materially accurate estimate of the fair value of options granted.

The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of daily share prices over the last three years of comparable publicly quoted companies.

The share based remuneration expense for the period was £236,189 (April 2020: £204,809).

The group did not enter into any share based payment transactions with parties other than employees during the current or any prior periods.

**19. Pension commitments**

The company operates a defined contributions pension scheme. The pension cost charge represents contributions payable by the company to the fund and amounted to £66,891 (2019: £33,044). Contributions totalling £19,478 (2019: £13,031) were payable to the fund at the balance sheet date and are included in creditors.

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**20. Commitments under operating leases**

At 31 December 2020 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>2020</b>	<b>Unaudited</b>
	<b>£</b>	<b>2019</b>
		<b>£</b>
Not later than 1 year	17,037	178,889
Later than 1 year and not later than 5 years	-	17,037
	17,037	195,926
	17,037	195,926

**21. Post balance sheet events**

In April 2021 the company successfully closed a Series B round of £25.8m of cash investment in return for newly issued shares from both new and existing shareholders.

**22. Controlling party**

In the opinion of the directors there is no single controlling party.