

Cargo Marketing Services Limited

Directors' Report and Abbreviated Accounts

for the Year Ended 31 March 2007

Registration number 1416708

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Cargo Marketing Services Limited

Contents Page

Officers and advisers	1
Directors' report	2 to 3
Independent auditors' report	4
Abbreviated profit and loss account	5
Abbreviated balance sheet	6
Cash flow statement	7
Notes to the abbreviated accounts	8 to 19

Cargo Marketing Services Limited
Officers and Advisers

Directors	Mr M R Frearson
	Mrs T L Bennett
	Mr D G Horwell
Secretary	Mrs T L Bennett
Registered office	Ocean House Marston Park Tamworth Staffordshire B78 3HU
Auditors	RSM Bentley Jennison Chartered Accountants & Registered Auditors 3 Hollinswood Court Stafford Park 1 Telford TF3 3BD

Cargo Marketing Services Limited
Directors' Report for the Year Ended 31 March 2007

The directors present their report and the audited financial statements for the year ended 31 March 2007

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period ending on that date. In preparing those financial statements, directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Principal activity

The principal activity of the company is the provision of freight forwarding services.

Business review

Cargo Marketing Service Ltd's main focus is to provide Export and Import service solutions to our client base, which consists of small to medium sized freight forwarders. Our main markets are considered to be North America, the Far East and the Middle East. Our business is partially reliant on global economies being buoyant and our main risks and uncertainties are prevalent on the stability of these economies and the continuation of International trade.

The Directors consider the financial results to be acceptable for 2006/07.

Two of the performance indicators used by our Company are turnover and gross profit. Turnover decreased by £1.8 million this year which is a 7% demise over last year, however gross profit levels were maintained and even resulted in a small increase in margin at 14.7%. The market witnessed a lot of low freight rates bringing turnover levels down, but we were able to buy more efficiently which resulted in the improved margins. This is also supported by the fact that our job count continued to increase over last years levels by 4.3%.

We entered the 2006/07 financial year with the main focus in improving internal efficiencies. More business was required to improve profitability without increasing our overheads. Various concepts were investigated - one being an outsourced 'Back Office' scenario for documentation. A decision was made to keep this in-house but centralised at our Derby branch. This was trialled for six months but unfortunately had to be discontinued as it did not fit into Cargo Marketing Services' levels of required customer service. Also it was decided that our Leeds branch, although making a contribution to profitability, could operate more efficiently if merged into our Bury office.

Cargo Marketing Services Limited
Directors' Report for the Year Ended 31 March 2007

continued

The Company's net profit resulted in a lower level than last year by £114,000. Cargo Marketing Services continued to suffer from high overhead expenditure in order to maintain its service levels. The main area of expenditure being within IT and support, review of internal systems, staff training along with subsequent restructuring costs. All of these costs were deemed necessary to create a strong and well equipped base structure with which to grow new business for the future.

All profits retained after tax remained within the Company increasing the Company's net worth and reinvested for its future stability. The Return on Capital Employed is 50% less than last year which is due to the reduction in net profit as with reasons as mentioned above. The Company also uses cash flow as a performance indicator and can confidently report that positive movement was achieved again this year which continues to increase our stability in that area.

Therefore, the final quarter of the year resulted in the Company reforming and consolidating into the original three branches. All branches are now fully staffed and have the relevant experience and strength to move forward into the New Year and grow our business.

Results and dividend

The results for the company are set out in the financial statements.

The directors do not recommend the payment of a dividend.

Land and Buildings

In the opinion of the directors the present market value of the company's properties is in excess of the net book amount but, in the absence of a recent valuation, the excess is not quantified.

Directors

The directors who held office during the year were as follows:

- Mr M R Frearson
- Mrs T L Bennett
- Mr D G Horwell

Auditors

The auditors, RSM Bentley Jennison, are deemed to be re-appointed in accordance with section 386 of the Companies Act 1985.

Approved by the Board and signed on its behalf by



Mrs T L Bennett
Company Secretary

Date 22-10-07

**Independent Auditors' Report to
Cargo Marketing Services Limited
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts of Cargo Marketing Services Limited, set out on pages 5 to 19, together with the financial statements of the company for the year ended 31 March 2007 prepared under section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 5 to 19 are properly prepared in accordance with those provisions.


RSM Bentley Jennison
Chartered Accountants & Registered Auditors

3 Hollinswood Court
Stafford Park 1
Telford
TF3 3BD

Date ~~29th~~ October 2007

Cargo Marketing Services Limited
Abbreviated Profit and Loss Account for the Year Ended 31 March 2007

	Note	2007 £	2006 £
Gross profit		3,355,343	3,343,217
Administrative expenses		(3,230,563)	(3,097,478)
Operating profit	4	<u>124,780</u>	<u>245,739</u>
Other interest receivable and similar income		39,867	26,929
Interest payable and similar charges	7	(41,531)	(35,917)
Profit on ordinary activities before taxation		<u>123,116</u>	<u>236,751</u>
Tax on profit on ordinary activities	8	(44,463)	(54,812)
Profit for the financial year	16	<u><u>78,653</u></u>	<u><u>181,939</u></u>

Turnover and operating profit derive wholly from continuing operations

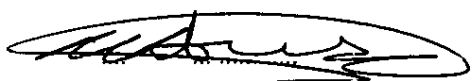
The company has no recognised gains or losses for the year other than the results above

Cargo Marketing Services Limited
Abbreviated Balance Sheet as at 31 March 2007

		2007	2006
	Note	£	£
Fixed assets			
Tangible assets	9	1,124,806	1,142,803
Investments	10	<u>459,021</u>	<u>339,021</u>
		1,583,827	1,481,824
Current assets			
Debtors	11	3,241,398	3,911,176
Cash at bank and in hand		<u>1,132,461</u>	<u>1,169,623</u>
		4,373,859	5,080,799
Creditors: Amounts falling due within one year	12	<u>(3,346,772)</u>	<u>(3,844,616)</u>
Net current assets		<u>1,027,087</u>	<u>1,236,183</u>
Total assets less current liabilities		2,610,914	2,718,007
Creditors: Amounts falling due after more than one year	13	<u>(539,167)</u>	<u>(724,913)</u>
Net assets		<u>2,071,747</u>	<u>1,993,094</u>
Capital and reserves			
Called up share capital	15	450,939	450,945
Share premium reserve	16	85,991	85,991
Capital redemption reserve	16	61	55
Profit and loss account	16	<u>1,534,756</u>	<u>1,456,103</u>
Equity shareholders' funds	17	<u>2,071,747</u>	<u>1,993,094</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

Approved by the Board on 22-10-07 and signed on its behalf by



Mr M R Frearson
Director



Mr D G Horwell
Director

Cargo Marketing Services Limited
Cash Flow Statement for the Year Ended 31 March 2007

		2007		2006	
	Note	£	£	£	£
Net cash flow from operating activities	20		362,716		6,725
Returns on investment and servicing of finance	21		(1,664)		(8,988)
Taxation	21		(59,027)		-
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(54,764)		(197,528)	
Sale of tangible fixed assets		14,000		25,812	
Purchase of trade investment		<u>(120,000)</u>		<u>-</u>	
			<u>(160,764)</u>		<u>(171,716)</u>
Cash inflow/(outflow) before management of liquid resources and financing			141,261		(173,979)
Financing					
Increase in loans and borrowings		-		69,563	
Repayment of loans and borrowings		(53,186)		(51,201)	
Capital element of hire purchase payments		<u>(45,789)</u>		<u>-</u>	
			<u>(98,975)</u>		<u>18,362</u>
Net cash flow			<u>42,286</u>		<u>(155,617)</u>

Reconciliation of net cash flow to movement in net debt

		2007	2006
	Note	£	£
Increase/(decrease) in cash in the year	22	42,286	(155,617)
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		<u>98,976</u>	<u>(18,362)</u>
Change in net debt resulting from cash flows		141,262	(173,979)
New hire purchase agreements		<u>(40,196)</u>	<u>-</u>
Movement in net funds/(debt) in the year		101,066	(173,979)
Net funds at the start of the year	22	<u>84,368</u>	<u>258,347</u>
Net funds at the end of the year	22	<u>185,434</u>	<u>84,368</u>

Cargo Marketing Services Limited

Notes to the abbreviated accounts for the Year Ended 31 March 2007

1 Accounting policies

Basis of preparation

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards

Under section 248 of the Companies Act 1985 the group is exempt from the requirement to prepare group accounts by virtue of its size. Therefore the accounts present information about the company as an individual undertaking and not about its group.

Turnover

Turnover represents amounts invoiced, net of value added tax, in respect of the sale of goods and services to customers.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Freehold buildings	2.5% straight line basis
Motor vehicles	25% straight line basis
Fixtures and equipment	15 - 25% straight line basis

Other fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value.

Deferred taxation

Deferred tax is provided in full on timing differences which represent a liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income or expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign currencies

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account.

Hire purchase and finance lease contracts

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Assets acquired under instalment finance agreements are treated as tangible fixed assets and depreciation is provided accordingly. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract.

Cargo Marketing Services Limited

Notes to the abbreviated accounts for the Year Ended 31 March 2007

continued

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme

2 Turnover

1 58% of the company's turnover related to exports (2006 - 2 11%)

An analysis of turnover by geographical market is given below

	2007 £	2006 £
Sales - UK	22,477,518	24,090,325
Sales - North America	(48,158)	75,553
Sales - Rest of world	408,020	443,624
	<u>22,837,380</u>	<u>24,609,502</u>

3 Other operating income

	2007 £	2006 £
Service charge receivable	<u>-</u>	<u>2,083</u>

4 Operating profit

Operating profit is stated after charging/(crediting)

	2007 £	2006 £
Hire of plant and machinery (Operating Leases)	20,791	17,468
The audit of the company's annual accounts	8,400	8,000
Foreign currency (gains)/losses	(7,249)	20,806
Profit on sale of tangible fixed assets	(6,427)	(10,896)
Depreciation of owned tangible fixed assets	<u>105,384</u>	<u>105,902</u>

Cargo Marketing Services Limited

Notes to the abbreviated accounts for the Year Ended 31 March 2007

continued

5 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	2007 No.	2006 No.
Sales	6	6
Administration	7	8
Operations	51	50
	<u>64</u>	<u>64</u>

The aggregate payroll costs of these persons were as follows

	2007 £	2006 £
Wages and salaries	1,880,632	1,678,534
Social security	207,549	187,359
Other pension costs	109,116	95,564
	<u>2,197,297</u>	<u>1,961,457</u>

6 Directors' emoluments

The directors' emoluments for the year are as follows

	2007 £	2006 £
Directors' emoluments (including benefits in kind)	282,325	266,022
Directors' pension contributions	61,090	51,815
	<u>343,415</u>	<u>317,837</u>

During the year the number of directors who were accruing benefits under company pension schemes was as follows

	2007 No	2006 No.
Money purchase	<u>2</u>	<u>2</u>

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £192,786 (2006 - £178,718), and company pension contributions of £30,048 (2006 - £25,729) were made to a money purchase scheme on their behalf

Cargo Marketing Services Limited

Notes to the abbreviated accounts for the Year Ended 31 March 2007

continued

7 Interest payable and similar charges

	2007 £	2006 £
Bank loan interest payable	37,053	32,659
Hire purchase interest	4,478	3,258
	<u>41,531</u>	<u>35,917</u>

8 Taxation

Analysis of current period tax charge

	2007 £	2006 £
Current tax		
Corporation tax charge	45,000	59,352
(Over)/under provision in previous year	(325)	-
UK Corporation tax	<u>44,675</u>	<u>59,352</u>
Deferred tax		
Origination and reversal of timing differences	<u>(212)</u>	<u>(4,540)</u>
Total tax on profit on ordinary activities	<u>44,463</u>	<u>54,812</u>

Factors affecting current period tax charge

The tax assessed on the profit on ordinary activities for the year is higher than (2006 - lower than) the standard rate of corporation tax in the UK of 30.00% (2006 - 30.00%)

The differences are reconciled below

	2007 £	2006 £
Profit on ordinary activities before taxation	<u>123,116</u>	<u>236,751</u>
Standard rate corporation tax charge	36,935	71,025
Expenses not deductible for tax purposes (including goods)	16,139	9,139
Accelerated capital allowances	480	(28)
Losses utilised	-	(13,172)
Marginal relief	(8,879)	(7,612)
Total current tax for the year	<u>44,675</u>	<u>59,352</u>

Cargo Marketing Services Limited

Notes to the abbreviated accounts for the Year Ended 31 March 2007

continued

9 Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
As at 1 April 2006	928,795	574,039	161,086	1,663,920
Additions	-	52,672	42,288	94,960
Disposals	-	-	(30,596)	(30,596)
As at 31 March 2007	<u>928,795</u>	<u>626,711</u>	<u>172,778</u>	<u>1,728,284</u>
Depreciation				
As at 1 April 2006	36,437	450,950	33,730	521,117
Eliminated on disposals	-	-	(23,023)	(23,023)
Charge for the year	<u>13,117</u>	<u>53,687</u>	<u>38,580</u>	<u>105,384</u>
As at 31 March 2007	<u>49,554</u>	<u>504,637</u>	<u>49,287</u>	<u>603,478</u>
Net book value				
As at 31 March 2007	<u>879,241</u>	<u>122,074</u>	<u>123,491</u>	<u>1,124,806</u>
As at 31 March 2006	<u>892,358</u>	<u>123,089</u>	<u>127,356</u>	<u>1,142,803</u>

Freehold land and buildings

The gross book value of freehold land and buildings includes £728,795 (2006 - £728,795) of depreciable assets

Land and buildings

The net book value of land and buildings includes

	2007 £	2006 £
Freehold	<u>879,241</u>	<u>892,358</u>

Hire purchase agreements

Included within the total net book value of tangible fixed assets is £123,460 (2006 - £155,376) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £32,678 (2006 - £33,892)

Cargo Marketing Services Limited

Notes to the abbreviated accounts for the Year Ended 31 March 2007

continued

10 Fixed asset investments

	Group shares £	Unlisted investments £	Total £
Cost			
As at 1 April 2006	304,021	35,000	339,021
Additions	-	120,000	120,000
As at 31 March 2007	<u>304,021</u>	<u>155,000</u>	<u>459,021</u>
Net book value			
As at 31 March 2007	<u>304,021</u>	<u>155,000</u>	<u>459,021</u>
As at 31 March 2006	<u>304,021</u>	<u>35,000</u>	<u>339,021</u>

The company holds more than 20% of the share capital of the following companies

	Country of incorporation	Principal activity	Class	%	Year end
Subsidiary undertakings					
Cargo Marketing (London) Limited	England and Wales	Dormant company	Ordinary	100	31 March 2007
Cargotrans Limited	England and Wales	Dormant company	Ordinary	100	31 March 2007
Cargo Marketing Services LLC	USA	Freight brokerers	Ordinary	100	31 March 2007
North Star Cargo Services Limited	England and Wales	Dormant company	Ordinary	100	31 March 2007

The aggregate of the share capital and reserves as at 31 March 2007 and of the profit and loss for the year ended on that date for the subsidiary undertakings was as follows

	Capital & reserves £	Profit/(loss) for the year £
Subsidiary undertakings		
Cargo Marketing (London) Limited	900	-
Cargotrans Limited	100	-
Cargo Marketing Services LLC	(154,749)	(82,193)
North Star Cargo Services Limited	219,450	-

All of the above companies were incorporated in England and Wales, except for Cargo Marketing Services LLC, which was incorporated in USA. All of the above companies are 100% owned by Cargo Marketing Services Limited

Cargo Marketing Services Limited

Notes to the abbreviated accounts for the Year Ended 31 March 2007

continued

11 Debtors

	2007 £	2006 £
Trade debtors	3,018,562	3,668,733
Other debtors	114,634	118,497
Deferred tax	4,752	4,540
Director current accounts	13,132	11,920
Prepayments and accrued income	90,318	107,486
	<u>3,241,398</u>	<u>3,911,176</u>

Deferred tax

Deferred tax is provided for at 30% (2006 - 30%)

The deferred tax balance consists of depreciation in excess of capital allowances

12 Creditors: Amounts falling due within one year

	2007 £	2006 £
Bank loans and overdrafts	409,517	488,965
Obligations under finance leases and hire purchase contracts	48,480	41,788
Trade creditors	2,435,769	2,867,652
Amounts owed to group undertakings	148,433	54,805
Corporation tax	45,000	59,352
Social security and other taxes	65,630	59,686
Other creditors	4,643	5,628
Accruals and deferred income	189,300	266,740
	<u>3,346,772</u>	<u>3,844,616</u>

13 Creditors. Amounts falling due after more than one year

	2007 £	2006 £
Bank loans and overdrafts	441,830	495,016
Obligations under finance leases and hire purchase contracts	47,201	59,486
Amounts owed to group undertakings	-	111,551
Accruals and deferred income	50,136	58,860
	<u>539,167</u>	<u>724,913</u>

The bank loan is repaid monthly by instalments and will be settled in full in June 2013 This loan has an interest rate of 2.4% over the Barclays base rate

The bank borrowing is secured by a fixed charge over the freehold property known as Marston Park, Tamworth

Cargo Marketing Services Limited

Notes to the abbreviated accounts for the Year Ended 31 March 2007

continued

14 Maturity of borrowings

Amounts repayable

	Bank loans & overdrafts £	Obligations under finance leases and HP contracts £	Total £
As at 31 March 2007			
In one year or less on demand	409,517	48,480	457,997
Between one and two years	55,864	37,014	92,878
Between two and five years	197,592	10,187	207,779
After more than five years by instalments	188,374	-	188,374
	<u>851,347</u>	<u>95,681</u>	<u>947,028</u>
As at 31 March 2006			
In one year or less on demand	488,965	41,788	530,753
Between one and two years	55,864	35,871	91,735
Between two and five years	197,592	23,615	221,207
After more than five years by instalments	241,560	-	241,560
	<u>983,981</u>	<u>101,274</u>	<u>1,085,255</u>

15 Share capital

	2007 £	2006 £
Authorised		
Equity		
450,900 Ordinary shares of £1 each	450,900	450,900
10,000 A Ordinary shares of 1 pence each	<u>100</u>	<u>100</u>
	<u>451,000</u>	<u>451,000</u>
Allotted, called up and fully paid		
Equity		
450,900 Ordinary shares of £1 each	450,900	450,900
3,900 (2006 - 4,500) A Ordinary shares of 1 pence each	<u>39</u>	<u>45</u>
	<u>450,939</u>	<u>450,945</u>

Cargo Marketing Services Limited

Notes to the abbreviated accounts for the Year Ended 31 March 2007

continued

16 Reserves

	Share premium reserve £	Capital redemption reserve £	Profit and loss account £	Total £
Balance at 1 April 2006	85,991	55	1,456,103	1,542,149
Other reserves movement	-	6	-	6
Transfer from profit and loss account for the year	-	-	78,653	78,653
Balance at 31 March 2007	<u>85,991</u>	<u>61</u>	<u>1,534,756</u>	<u>1,620,808</u>

17 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Profit attributable to members of the company	<u>78,653</u>	<u>181,939</u>
	78,653	181,939
Other recognised gains/(losses) for the year	6	(18)
New share capital subscribed	-	18
Reduction in share capital	<u>(6)</u>	<u>-</u>
Net addition to shareholders' funds	78,653	181,939
Opening equity shareholders' funds	<u>1,993,094</u>	<u>1,811,155</u>
Closing equity shareholders' funds	<u>2,071,747</u>	<u>1,993,094</u>

18 Operating lease commitments

As at 31 March 2007 the company had annual commitments under non-cancellable operating leases as follows

	Land and Buildings	
	2007 £	2006 £
Within one year	51,732	61,050
Within two and five years	57,000	18,025
Over five years	-	28,188
	<u>108,732</u>	<u>107,263</u>

Cargo Marketing Services Limited

Notes to the abbreviated accounts for the Year Ended 31 March 2007

continued

19 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £109,116 (2006 - £95,564)

Contributions totalling £4,643 (2006 - £5,628) were payable to the scheme at the end of the period and are included in creditors

20 Reconciliation of operating profit to operating cash flows

	2007	2006
	£	£
Operating profit	124,780	245,739
Depreciation, amortisation and impairment charges	105,384	105,902
Profit on disposal of fixed assets	(6,427)	(10,896)
Decrease/(increase) in debtors	669,990	(459,379)
(Decrease)/increase in creditors	(531,011)	125,359
Net cash inflow from operating activities	<u>362,716</u>	<u>6,725</u>

Cargo Marketing Services Limited

Notes to the abbreviated accounts for the Year Ended 31 March 2007

continued

21 Analysis of cash flows

	2007 £	2006 £
Returns on investment and servicing of finance		
HP interest paid	(4,478)	(3,258)
Other interest paid	(37,053)	(32,659)
Interest received	39,867	26,929
	<u>(1,664)</u>	<u>(8,988)</u>
Taxation		
Taxation paid	<u>(59,027)</u>	<u>-</u>

22 Analysis of net funds

	At start of period £	Cash flow £	Other non-cash changes £	At end of period £
Cash at bank and in hand	1,169,623	(37,162)	-	1,132,461
Bank overdraft	(438,101)	79,448	-	(358,653)
Cash and bank net debt	<u>731,522</u>	<u>42,286</u>	<u>-</u>	<u>773,808</u>
Debt due within one year	(50,864)	53,186	(53,186)	(50,864)
Debt due after one year	(495,016)	-	53,186	(441,830)
Finance leases	(101,274)	45,790	(40,196)	(95,680)
Change in debt	<u>(647,154)</u>	<u>98,976</u>	<u>(40,196)</u>	<u>(588,374)</u>
Net funds	<u>84,368</u>	<u>141,262</u>	<u>(40,196)</u>	<u>185,434</u>

Cargo Marketing Services Limited

Notes to the abbreviated accounts for the Year Ended 31 March 2007

continued

23 Related parties

Controlling entity

The company is controlled by the directors who own 99.97% of the called up share capital with the director D G Horwell owning 94.42% of the issued share capital

Directors' loan accounts

The following balances owed by the directors were outstanding at the year end

	Maximum Balance £	2007 £	2006 £
D G Horwell	2,228	1,581	15
M R Frearson	14,106	11,551	11,905
	<u>16,334</u>	<u>13,132</u>	<u>11,920</u>