

Cargo Marketing Services Limited

Directors' Report and Financial Statements

for the Year Ended 31 March 2010

Registration number 01416708

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Cargo Marketing Services Limited

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Cargo Marketing Services Limited
Company Information

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 Tenon Audit Limited Statutory Auditor 3 Hollinswood Court Stafford Park 1 Telford TF3 3DE

Cargo Marketing Services Limited

Directors' Report for the Year Ended 31 March 2010

The directors present their report and the audited financial statements for the year ended 31 March 2010

Statement of Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

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

- select suitable accounting policies and then 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 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 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.

Disclosure of information to auditors

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

Principal activity

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

Business review

Cargo Marketing Services Limited'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 results to be acceptable for 2009/2010.

Two of the performance indicators used by our company are turnover and gross profit. Turnover decreased by 8% this year (2009 – 9% increase), which resulted in a lower level of gross profit. The company maintained gross profit margins throughout the financial year and it should be noted that margins were slightly higher than last year at 19.3% (2009 – 18.8%). Unfortunately, the lower turnover impacted on the retained profits for the year which came in at a much lower level than 2009.

The performance of both the Tamworth and the Bury offices remained consistent throughout the year, but the overall performance was diluted by the much lower performance of our Chelmsford branch.

Cargo Marketing Services Limited
Directors' Report for the Year Ended 31 March 2010

continued

Various steps were taken throughout the year to rectify the problems locally which culminated in a Board meeting in January 2010 where the board of directors decided on a way forward. The required steps to be made were given to the branch manager to implement accordingly.

By the end of March 2010 the first signs of a turnaround could be seen and the board is confident that this level will continue throughout the next financial year.

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.

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 audit business of RSM Bentley Jennison, who had previously been appointed as the company's auditors, has merged with that of RSM Tenon Audit Limited who succeeded to the office of auditors to the company. The audit report on the financial statements has therefore been issued by the successor firm, RSM Tenon Audit Limited.

Approved by the Board and signed on its behalf by



Mrs T L Bennett
Company Secretary

Date 13-12-10

Independent Auditors' Report to the Members of Cargo Marketing Services Limited (Registration number: 01416708)

We have audited the financial statements of Cargo Marketing Services Limited for the year ended 31 March 2010, set out on pages 5 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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.

Respective responsibilities of directors and auditors

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. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

RSM Tenon Audit Limited

Mark Evans
Senior Statutory Auditor

for and on behalf of
RSM Tenon Audit Limited
Statutory Auditor

Date *16th December 2010*

3 Hollinswood Court
Stafford Park 1
Telford
TF3 3DE

Cargo Marketing Services Limited
Profit and Loss Account for the Year Ended 31 March 2010

	Note	2010 £	2009 £
Turnover	2	21,419,655	23,308,439
Cost of sales		(17,285,388)	(18,936,660)
Gross profit		<u>4,134,267</u>	<u>4,371,779</u>
Administrative expenses		(3,917,199)	(4,031,797)
Operating profit	3	<u>217,068</u>	<u>339,982</u>
Other interest receivable and similar income		697	33,473
Interest payable and similar charges	6	(13,374)	(28,104)
Profit on ordinary activities before taxation		<u>204,391</u>	<u>345,351</u>
Tax on profit on ordinary activities	7	(99,578)	(167,690)
Profit for the financial year	16	<u><u>104,813</u></u>	<u><u>177,661</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

The notes on pages 8 to 22 form an integral part of these financial statements

Cargo Marketing Services Limited (Registration number: 01416708)

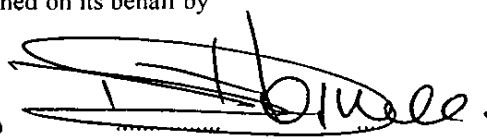
Balance Sheet as at 31 March 2010

		2010		2009	
	Note	£	£	£	£
Fixed assets					
Tangible assets	8		1,042,473		1,092,422
Investments	9		<u>1,164,851</u>		<u>999,851</u>
			2,207,324		2,092,273
Current assets					
Debtors	10	3,766,873		3,242,560	
Cash at bank and in hand		<u>966,410</u>		<u>1,616,521</u>	
		4,733,283		4,859,081	
Creditors: Amounts falling due within one year	11	<u>(3,937,810)</u>		<u>(3,958,614)</u>	
Net current assets			<u>795,473</u>		<u>900,467</u>
Total assets less current liabilities			3,002,797		2,992,740
Creditors: Amounts falling due after more than one year	12		(474,063)		(576,092)
Provisions for liabilities	14		<u>(7,273)</u>		<u>-</u>
Net assets			<u>2,521,461</u>		<u>2,416,648</u>
Capital and reserves					
Called up share capital	15		450,900		450,918
Share premium reserve	16		85,991		85,991
Capital redemption reserve	16		100		82
Profit and loss account	16		<u>1,984,470</u>		<u>1,879,657</u>
Shareholders' funds	17		<u>2,521,461</u>		<u>2,416,648</u>

Approved by the Board on 13-12-10 and signed on its behalf by



Mr M R Frearson
Director



Mr D G Horwell
Director

The notes on pages 8 to 22 form an integral part of these financial statements

Cargo Marketing Services Limited
Cash Flow Statement for the Year Ended 31 March 2010

		2010	2009
	Note	£	£
Net cash flow from operating activities	21	228,320	1,202,115
Returns on investment and servicing of finance	22	(12,677)	5,369
Taxation paid		(145,552)	(97,340)
Capital expenditure and financial investment	22	<u>(219,794)</u>	<u>(238,363)</u>
Cash (outflow)/inflow before management of liquid resources and financing		(149,703)	871,781
Financing	22	<u>(112,216)</u>	<u>(117,810)</u>
Net cash flow		<u><u>(261,919)</u></u>	<u><u>753,971</u></u>

Reconciliation of net cash flow to movement in net funds

		2010	2009
	Note	£	£
(Decrease)/increase in cash in the year	23	(261,919)	753,971
Cash outflow from decrease in debt and lease financing		<u>112,216</u>	<u>117,810</u>
Change in net funds resulting from cash flows		(149,703)	871,781
 New hire purchase agreements		 -	 (66,514)
Movement in net (debt)/funds in the year		<u>(149,703)</u>	<u>805,267</u>
 Net funds/(debt) at the start of the year	23	 <u>751,394</u>	 <u>(53,874)</u>
Net funds at the end of the year	23	<u><u>601,691</u></u>	<u><u>751,393</u></u>

The notes on pages 8 to 22 form an integral part of these financial statements

Cargo Marketing Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2010

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The principal accounting policies are set out below.

Turnover

Turnover represents the value, net of value added tax, of goods and services supplied to customers during the year.

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

Fixed asset investments

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

Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

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. Monetary 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 as tangible fixed assets 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 held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract.

Operating leases

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

Cargo Marketing Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2010

continued

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

An analysis of turnover by geographical market is given below

	2010	2009
	£	£
Sales - UK	20,756,414	22,728,446
Sales - Rest of world	642,701	579,993
	<u>21,399,115</u>	<u>23,308,439</u>
Other sales income	20,540	-
Turnover	<u>21,419,655</u>	<u>23,308,439</u>

3 Operating profit

Operating profit is stated after charging/(crediting)

	2010	2009
	£	£
Hire of plant and machinery (Operating Leases)	29,185	29,072
The audit of the company's annual accounts	8,200	8,000
Foreign currency (gains)/losses	(18,527)	44,965
Profit on sale of fixed assets	(10,307)	(1,452)
Depreciation of owned tangible fixed assets	<u>115,050</u>	<u>119,104</u>

Cargo Marketing Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2010

continued

4 Particulars of employees

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

	2010 No.	2009 No.
Sales	7	7
Administration	8	7
Operations	44	46
	<u>59</u>	<u>60</u>

The aggregate payroll costs of these persons were as follows

	2010 £	2009 £
Wages and salaries	2,228,262	2,008,455
Social security	246,303	230,140
Other pension costs	162,619	155,096
	<u>2,637,184</u>	<u>2,393,691</u>

5 Directors' remuneration

The directors' remuneration for the year are as follows

	2010 £	2009 £
Directors' remuneration (including benefits in kind)	460,253	355,972
Directors' pension contributions	96,000	96,000
	<u>556,253</u>	<u>451,972</u>

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

	2010 No.	2009 No.
Money purchase	<u>2</u>	<u>2</u>

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £245,509 (2009 - £211,277), and company pension contributions of £48,000 (2009 - £48,000) were made to a money purchase scheme on their behalf

Cargo Marketing Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2010

continued

6 Interest payable and similar charges

	2010 £	2009 £
Bank loan interest payable	9,490	23,062
Hire purchase interest	3,884	5,042
	<u>13,374</u>	<u>28,104</u>

7 Taxation

Analysis of current period tax charge

	2010 £	2009 £
Current tax		
Corporation tax charge	88,000	146,000
(Over)/under provision in previous year	(447)	21,690
UK Corporation tax	<u>87,553</u>	<u>167,690</u>
Deferred tax		
Origination and reversal of timing differences	<u>12,025</u>	<u>-</u>
Total tax on profit on ordinary activities	<u>99,578</u>	<u>167,690</u>

Factors affecting current period tax charge

The tax assessed on the profit on ordinary activities for the year is higher than (2009 - higher than) the standard rate of corporation tax in the UK of 28.00% (2009 - 28.00%)

The differences are reconciled below

	2010 £	2009 £
Profit on ordinary activities before taxation	<u>204,391</u>	<u>345,351</u>
Standard rate corporation tax charge	57,229	96,698
Expenses not deductible for tax purposes (including goods)	38,713	51,380
Capital allowance in excess of depreciation	(2,241)	(1,671)
Underprovision in prior year	(447)	21,690
Marginal relief	(3,074)	-
Profit on sale of assets	(2,886)	(407)
Rounding	259	-
Total current tax for the year	<u>87,553</u>	<u>167,690</u>

Cargo Marketing Services Limited
Notes to the Financial Statements for the Year Ended 31 March 2010

continued

8 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
As at 1 April 2009	928,795	779,699	165,755	1,874,249
Additions	-	78,294	-	78,294
Disposals	-	-	(84,387)	(84,387)
As at 31 March 2010	<u>928,795</u>	<u>857,993</u>	<u>81,368</u>	<u>1,868,156</u>
Depreciation				
As at 1 April 2009	85,136	620,269	76,422	781,827
Eliminated on disposals	-	-	(71,194)	(71,194)
Charge for the year	18,216	62,407	34,427	115,050
As at 31 March 2010	<u>103,352</u>	<u>682,676</u>	<u>39,655</u>	<u>825,683</u>
Net book value				
As at 31 March 2010	<u>825,443</u>	<u>175,317</u>	<u>41,713</u>	<u>1,042,473</u>
As at 31 March 2009	<u>843,659</u>	<u>159,430</u>	<u>89,333</u>	<u>1,092,422</u>

Freehold land and buildings

The gross book value of freehold land and buildings includes £728,795 (2009 - £728,795) of depreciable assets

Hire purchase agreements

Included within the total net book value of tangible fixed assets is £31,389 (2009 - £89,333) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £12,624 (2009 - £41,636)

Cargo Marketing Services Limited
Notes to the Financial Statements for the Year Ended 31 March 2010

continued

9 Fixed asset investments

	Group shares £	Other investments £	Total £
Cost			
As at 1 April 2009	304,021	782,000	1,086,021
Additions	-	165,000	165,000
As at 31 March 2010	<u>304,021</u>	<u>947,000</u>	<u>1,251,021</u>
Provision			
As at 1 April 2009 and 31 March 2010	<u>86,170</u>	-	<u>86,170</u>
Net book value			
As at 31 March 2010	<u>217,851</u>	<u>947,000</u>	<u>1,164,851</u>
As at 31 March 2009	<u>217,851</u>	<u>782,000</u>	<u>999,851</u>

Cargo Marketing Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2010

continued

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

	Country of incorporation	Principal activity	Class	%
Subsidiary undertakings				
Cargo Marketing (London) Limited	England and Wales	Dormant company	Ordinary	100
Cargotrans Limited	England and Wales	Dormant company	Ordinary	100
Cargo Marketing Services LLC	USA	Freight brokerers	Ordinary	100
North Star Cargo Services Limited	England and Wales	Dormant company	Ordinary	100
Associated holdings				
King International Shipping Services Limited	England & Wales	Groupage consolidation for international cargo movements	Ordinary	50

The aggregate of the share capital and reserves as at 31 March 2010 and of the profit for the year ended on that date for the subsidiary undertakings were as follows

	Capital & reserves £	Profit/(loss) for the period £
Subsidiary undertakings		
Cargo Marketing (London) Limited	900	-
Cargotrans Limited	100	-
Cargo Marketing Services LLC	(210,813)	226,063
North Star Cargo Services Limited	219,450	-
Associated holdings		
King International Shipping Services Limited	-	-

All of the above companies were incorporated in England and Wales, with the exception of Cargo Marketing Services LLC, which was incorporated in the USA. All of the companies are 100% owned by Cargo Marketing Services Limited, with the exception of King International Shipping Services Limited as explained below.

Joint Venture

The company has a 50% holding in King International Shipping Services Limited whose principal activity is that of groupage consolidation for international cargo movements.

At the balance sheet date the net assets of King International Shipping Services Limited were £583,288 (2009 - £541,747) and the profit for the financial year after taxation was £41,541 (2009 - £20,298).

The above information was extracted from King International Shipping Services Limited's unaudited financial statements for the year ended 31 March 2010.

Cargo Marketing Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2010

continued

10 Debtors

	2010 £	2009 £
Trade debtors	3,496,739	2,983,523
Other debtors	158,819	123,796
Deferred tax	-	4,752
Director current accounts	11,682	23,797
Prepayments and accrued income	99,633	106,692
	<u>3,766,873</u>	<u>3,242,560</u>

11 Creditors: Amounts falling due within one year

	2010 £	2009 £
Bank loans and overdrafts	93,410	481,603
Obligations under finance leases and hire purchase contracts	20,399	30,585
Trade creditors	3,286,664	2,614,149
Corporation tax	88,000	146,000
Social security and other taxes	80,683	77,489
Other creditors	33,311	217,870
Accruals and deferred income	335,343	390,918
	<u>3,937,810</u>	<u>3,958,614</u>

12 Creditors Amounts falling due after more than one year

	2010 £	2009 £
Bank loans and overdrafts	240,073	321,703
Obligations under finance leases and hire purchase contracts	10,838	31,237
Amounts owed to group undertakings	223,152	223,152
	<u>474,063</u>	<u>576,092</u>

Included in the creditors are the following amounts due after more than five years

	2010 £	2009 £
After more than five years by instalments	-	68,247

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

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.

Cargo Marketing Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2010

continued

13 Maturity of borrowings

Amounts repayable

	Bank loans & overdrafts £	Obligations under finance leases and HP contracts £	Total £
As at 31 March 2010			
In one year or less on demand	93,410	20,399	113,809
Between one and two years	55,864	10,838	66,702
Between two and five years	184,209	-	184,209
	<u>333,483</u>	<u>31,237</u>	<u>364,720</u>
As at 31 March 2009			
In one year or less on demand	481,603	30,585	512,188
Between one and two years	55,864	20,399	76,263
Between two and five years	197,592	10,838	208,430
After more than five years by instalments	68,247	-	68,247
	<u>803,306</u>	<u>61,822</u>	<u>865,128</u>

14 Provisions for liabilities

	Deferred tax provision £
As at 1 April 2009	(4,752)
Deferred tax provision charged to the profit and loss account	12,025
As at 31 March 2010	<u>7,273</u>

Deferred tax

Deferred tax is provided at 28.00% (2009 - 30.00%)

	2010 £	2009 £
Accelerated capital allowances	9,096	(3,621)
Timing differences re Pensions	(1,823)	(1,131)
	<u>7,273</u>	<u>(4,752)</u>

Cargo Marketing Services Limited
Notes to the Financial Statements for the Year Ended 31 March 2010

continued

15 Share capital

	2010 £	2009 £
Authorised		
Equity		
450,900 Ordinary shares of £1 each	450,900	450,900
10,000 A Ordinary shares of 1 pence each	100	100
	<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
0 (2009 - 1,833) A Ordinary shares of 1 pence each	-	18
	<u>450,900</u>	<u>450,918</u>

16 Reserves

	Share premium reserve £	Capital redemption reserve £	Profit and loss account £	Total £
Balance at 1 April 2009	85,991	82	1,879,657	1,965,730
Other reserves movement	-	18	-	18
Transfer from profit and loss account for the year	-	-	104,813	104,813
Balance at 31 March 2010	<u>85,991</u>	<u>100</u>	<u>1,984,470</u>	<u>2,070,561</u>

17 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit attributable to members of the company	104,813	177,661
Other recognised gains for the year	18	7
Reduction in share capital	(18)	(7)
Net addition to shareholders' funds	<u>104,813</u>	<u>177,661</u>
Opening shareholders' funds	2,416,648	2,238,987
Closing shareholders' funds	<u>2,521,461</u>	<u>2,416,648</u>

Cargo Marketing Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2010

continued

18 Contingent liability

The company is involved in ongoing negotiations which may result in a liability crystallising on the company. The likelihood and quantum is uncertain but it is estimated that the liability would be in the region of £100,000.

19 Operating lease commitments

As at 31 March 2010 the company had annual commitments under non-cancellable operating leases as follows

	Land and Buildings	
	2010	2009
	£	£
Within one year	41,000	41,000
Within two to five years	28,500	69,500
	<u>69,500</u>	<u>110,500</u>

20 Pension scheme

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 £162,619 (2009 - £155,096).

Contributions totalling £6,515 (2009 - £6,035) were payable to the scheme at the end of the period and are included in creditors.

Cargo Marketing Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2010

continued

21 Reconciliation of operating profit to operating cash flows

	2010	2009
	£	£
Operating profit	217,068	339,982
Depreciation, amortisation and impairment charges	115,050	119,104
Profit on disposal of fixed assets	(10,307)	(1,452)
(Increase)/decrease in debtors	(529,066)	567,033
Increase in creditors	435,575	91,278
Increase in provisions	-	86,170
Net cash inflow from operating activities	228,320	1,202,115

22 Analysis of cash flows

	2010	2009
	£	£
Returns on investment and servicing of finance		
HP interest paid	(3,884)	(5,042)
Other interest paid	(9,490)	(23,062)
Interest received	697	33,473
	(12,677)	5,369
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(78,294)	(77,263)
Sale of tangible fixed assets	23,500	18,900
Purchase of trade investment	(165,000)	(180,000)
	(219,794)	(238,363)
Financing		
Repayment of loans and borrowings	(81,631)	(65,917)
Capital element of hire purchase payments	(30,585)	(51,893)
	(112,216)	(117,810)

Cargo Marketing Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2010

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23 Analysis of net funds

	At start of period £	Cash flow £	Other non-cash changes £	At end of period £
Cash at bank and in hand	1,616,521	(650,111)	-	966,410
Bank overdraft	(430,738)	388,192	-	(42,546)
Cash and bank net funds	<u>1,185,783</u>	<u>(261,919)</u>	-	<u>923,864</u>
Debt due within one year	(50,864)	50,865	(50,864)	(50,863)
Debt due after one year	(321,703)	30,766	50,864	(240,073)
Finance leases	(61,822)	30,585	-	(31,237)
Change in debt	<u>(434,389)</u>	<u>112,216</u>	-	<u>(322,173)</u>
Net funds	<u>751,394</u>	<u>(149,703)</u>	-	<u>601,691</u>

Cargo Marketing Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2010

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24 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

Related party transactions

Transactions during the year ended 31 March 2010 with related party undertakings were as follows

Sales - sales of services

	2010	2009
	£	£
Cargo Marketing Services LLC	316	57,242
King International Shipping Services Limited	13,138	62,050
Total	13,454	119,292

Purchases - purchase of services

	2010	2009
	£	£
Cargo Marketing Services LLC	(2,967)	149,850
King International Shipping Services Limited	4,620	57,484
Total	1,653	207,334

All transactions were on normal commercial terms in the ordinary course of business

Consultancy fees

	2010	2009
	£	£
D G Horwell	253,729	327,052

The services for the director, D G Horwell, are provided by Cargo International Marketing Services Limited

Cargo Marketing Services Limited
Notes to the Financial Statements for the Year Ended 31 March 2010

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Related party balances

At 31 March 2010 the amounts due to/(from) group undertakings were as follows

	2010 £	2009 £
North Star Cargo Services Limited	223,152	223,152
Total	<u>223,152</u>	<u>223,152</u>

The above amounts are included within creditors due after more than one year

Directors' loan accounts

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

	Maximum Balance £	2010 £	2009 £
D G Horwell	4,028	-	4,028
M R Frearson	12,891	9,565	12,884
T Bennett	6,885	2,117	6,885
	<u>23,804</u>	<u>11,682</u>	<u>23,797</u>

No interest is charged in respect of these balances