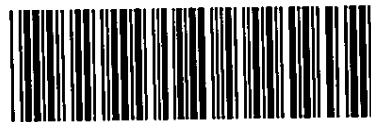


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CARGO MARKETING SERVICES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

Company Registration Number 01416708

CARGO MARKETING SERVICES LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

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CARGO MARKETING SERVICES LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 MARCH 2012

The board of directors	Mr M R Frearson Mrs T L Bennett
Company secretary	Mrs T L Bennett
Business address	Ocean House Marston Park Tamworth Staffordshire B78 3HU
Registered office	As above
Auditor	RSM Tenon Audit Limited Charterhouse Legge Street Birmingham B4 7EU

CARGO MARKETING SERVICES LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2012

The directors present their report and the financial statements of the group for the year ended 31 March 2012

Principal activities and business review

The principal activity of the company during the year was the provision of freight forwarding services

Business Review

The group'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 2011/2012.

Two of the performance indicators used by the group are turnover and gross profit. Turnover increased by 2.9% this year (2011 - increase of 27.4%), which resulted in a higher level of gross profit. The group's gross profit margins fluctuated marginally throughout the financial year and it should be noted that margins were lower than last year at 15.5% (2011 - 15.7%).

The performance of both Tamworth and the Bury offices of the company remained consistent throughout the year however the overall performance was enhanced by the much improved performance of the Chelmsford branch of the company. Various steps were taken throughout the previous two years to rectify the problems experienced by this office which has led to this improvement in performance.

Results and dividends

The profit for the year, after taxation, amounted to £148,957. The directors have not recommended a dividend.

Financial risk management objectives and policies

The group is exposed to a moderate level of price risk, credit risk, liquidity risk and cash flow risk. The group manages these risks by financing its operations through retained profits, supplemented by long-term bank borrowings where necessary to fund expansion or capital expenditure programmes.

The management objectives are to retain sufficient liquid funds to enable it to meet its day to day requirements, minimise the group's exposure to fluctuating interest rates, and match the repayment schedule of any external borrowings or overdrafts with the future cash flows expected to arise from the group's trading activities.

The group makes little use of financial instruments other than an operational bank account and so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the group.

Directors

The directors who served the company during the year were as follows:

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

CARGO MARKETING SERVICES LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2012

Mr D G Horwell resigned as a director on 1 October 2011

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 the group and of the profit or loss of the group for that year. In preparing those financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are, individually, aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Auditor

RSM Tenon Audit Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006

Signed by order of the directors



Mrs T L Bennett
Company Secretary

Approved by the directors on 26-11-12

CARGO MARKETING SERVICES LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARGO
MARKETING SERVICES LIMITED
YEAR ENDED 31 MARCH 2012

We have audited the group and parent company financial statements ("the financial statements") of Cargo Marketing Services Limited for the year ended 31 March 2012 on pages 6 to 27. 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 audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 and express an opinion on 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 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2012 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

CARGO MARKETING SERVICES LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARGO
MARKETING SERVICES LIMITED *(continued)*

YEAR ENDED 31 MARCH 2012

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



Mark Evans, Senior Statutory Auditor
For and on behalf of

RSM Tenon Audit Limited
Statutory Auditors
Charterhouse
Legge Street
Birmingham
B4 7EU

17/12/2012

CARGO MARKETING SERVICES LIMITED
GROUP PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2012

	Note	2012 £	2011 £
Group turnover	2	28,331,568	27,532,049
Cost of sales		(23,941,289)	(23,220,686)
Gross profit		<u>4,390,279</u>	<u>4,311,363</u>
Administrative expenses		(4,210,064)	(3,942,171)
Other operating income	3	68,921	72,165
Operating profit	4	<u>249,136</u>	<u>441,357</u>
Share of joint venture operating loss/profit		<u>(16,896)</u>	<u>49,345</u>
Total operating profit Group and share of joint ventures		232,240	490,702
Share of loss/(profit) on disposal of investments, joint venture		<u>—</u>	<u>(1)</u>
		232,240	490,701
Interest receivable		2,313	1,073
Share of interest receivable, joint venture		28	—
Interest payable and similar charges	7	(6,511)	(9,744)
Profit on ordinary activities before taxation		<u>228,070</u>	<u>482,030</u>
Tax on profit on ordinary activities	8	(79,113)	(142,896)
Profit for the financial year	9	<u>148,957</u>	<u>339,134</u>

All of the activities of the group are classed as continuing

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account

The notes on pages 12 to 27 form part of these financial statements

CARGO MARKETING SERVICES LIMITED
GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 MARCH 2012

	2012 £	2011 £
Profit for the financial year excluding share of (loss)/profit of joint venture	167,430	305,955
Share of joint venture (loss)/profit for the year	<u>(18,473)</u>	<u>33,179</u>
Profit attributable to shareholders of the parent company	148,957	339,134
Group revaluation surpluses	148,957	339,134
Currency translation differences on foreign currency net investments	<u>(236)</u>	<u>13,122</u>
Total gains and losses recognised since the last annual report	<u>148,721</u>	<u>352,256</u>

The notes on pages 12 to 27 form part of these financial statements

CARGO MARKETING SERVICES LIMITED

GROUP BALANCE SHEET

31 MARCH 2012

	Note	2012 £	£	2011 £	£
Fixed assets					
Intangible assets	10		45,763		53,391
Tangible assets	11		945,498		1,002,491
Investments	12				
Investments in joint ventures					
Share of gross assets		322,674		358,737	
Share of gross liabilities		(23,393)		(40,982)	
		299,281		317,755	
Other investments		240,000		240,000	
			539,281		557,755
			1,530,542		1,613,637
Current assets					
Debtors	13	4,066,994		4,033,397	
Cash at bank and in hand		1,863,262		1,963,973	
		5,930,256		5,997,370	
Creditors: Amounts falling due within one year	14	(4,386,577)		(4,595,541)	
Net current assets			1,543,679		1,401,829
Total assets less current liabilities			3,074,221		3,015,466
Creditors: Amounts falling due after more than one year	15		(66,602)		(155,896)
Provisions for liabilities					
Deferred taxation	18		(9,591)		(10,263)
			2,998,028		2,849,307
Capital and reserves					
Called-up share capital	21		450,900		450,900
Share premium account	22		85,991		85,991
Other reserves	22		600		600
Profit and loss account	22		2,460,537		2,311,816
Shareholders' funds	23		2,998,028		2,849,307

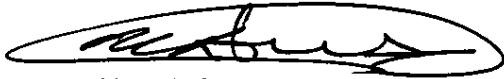
The Balance sheet continues on the following page
The notes on pages 12 to 27 form part of these financial statements

CARGO MARKETING SERVICES LIMITED

GROUP BALANCE SHEET *(continued)*

31 MARCH 2012

These financial statements were approved by the directors and authorised for issue on 26-11-12,
and are signed on their behalf by



Mr M R Frearson
Director



Mrs T L Bennett
Director

The notes on pages 12 to 27 form part of these financial statements

CARGO MARKETING SERVICES LIMITED

Registered Number 01416708

BALANCE SHEET**31 MARCH 2012**

	Note	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	11		945,498		1,002,491
Investments	12		578,000		794,851
			<u>1,523,498</u>		<u>1,797,342</u>
Current assets					
Debtors	13	4,029,899		4,032,397	
Cash at bank and in hand		1,794,865		1,894,861	
			<u>5,824,764</u>		<u>5,927,258</u>
Creditors: Amounts falling due within one year	14	<u>(4,360,365)</u>		<u>(4,572,146)</u>	
Net current assets			1,464,399		1,355,112
Total assets less current liabilities			<u>2,987,897</u>		<u>3,152,454</u>
Creditors: Amounts falling due after more than one year	15		(66,602)		(155,896)
Provisions for liabilities					
Deferred taxation	18		<u>(9,591)</u>		<u>(10,263)</u>
			<u>2,911,704</u>		<u>2,986,295</u>
Capital and reserves					
Called-up share capital	21		450,900		450,900
Share premium account	22		85,991		85,991
Other reserves	22		100		100
Profit and loss account	22		2,374,713		2,449,304
Shareholders' funds			<u>2,911,704</u>		<u>2,986,295</u>

These financial statements were approved by the directors and authorised for issue on 26-11-12, and are signed on their behalf by



Mr M R Frearson
Director



Mrs T L Bennett
Director

The notes on pages 12 to 27 form part of these financial statements

CARGO MARKETING SERVICES LIMITED
GROUP CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2012

	Note	2012 £	£	2011 £	£
Net cash (outflow)/inflow from operating activities	24		(521,489)		850,312
Returns on investments and Servicing of finance					
Interest received		2,313		1,073	
Interest paid		(5,225)		(7,165)	
Interest element of finance leases		(1,286)		(2,579)	
Net cash outflow from returns on investments and servicing of finance			(4,198)		(8,671)
Taxation			(138,242)		(81,711)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(45,707)		(61,681)	
Receipts from sale of fixed assets		10,200		1,200	
Disposal of investments		—		431,333	
Net cash (outflow)/inflow for capital expenditure and financial investment			(35,507)		370,852
Cash (outflow)/inflow before financing			(699,436)		1,130,782
Financing					
Repayment of bank loans		(89,294)		(84,177)	
Capital element of finance leases		(10,838)		(20,399)	
Net cash outflow from financing			(100,132)		(104,576)
(Decrease)/increase in cash	24		(799,568)		1,026,206

The notes on pages 12 to 27 form part of these financial statements

CARGO MARKETING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the group profit and loss account after or up to the date that control passes respectively. As a consolidated group profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Joint venture

Where a group company is party to a joint arrangement which is not an entity, that company accounts directly for its part of the income and expenditure, assets, liabilities and cash flows. Such arrangements are reported in the consolidated financial statements on the same basis.

Turnover

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

Amortisation

Amortisation is calculated so as to write off the cost of an asset over the estimated useful economic life of that asset as follows:

Goodwill	- Over 10 years
Organisation costs	- 20% straight line basis

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition.

Depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Freehold land and buildings	- 2.5% straight line basis
Fixtures & fittings	- 15 - 25% straight line basis
Motor vehicles	- 25% straight line basis

Fixed asset investments

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

CARGO MARKETING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

1. Accounting policies *(continued)*

Leasing and hire purchase commitments

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, and hire purchase contracts, are capitalised in the balance sheet at their fair value and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the group profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

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

Pension costs

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund. The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax, or a right to receive repayments of tax.

Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities recognised have not been discounted. Deferred tax is measured on a non-discounted basis at the average tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Non-monetary assets and liabilities and transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit. Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions, or at an average rate for the period if the rates do not fluctuate significantly. Monetary assets and liabilities are translated at year end exchange rates or, where appropriate, at rates of exchange fixed under the terms of the relevant transaction. The resulting exchange rate differences are charged to the profit and loss account.

CARGO MARKETING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the group

An analysis of turnover is given below

	2012 £	2011 £
United Kingdom	25,097,057	26,585,381
Overseas	<u>3,234,511</u>	<u>946,668</u>
	<u>28,331,568</u>	<u>27,532,049</u>

3. Other operating income

	2012 £	2011 £
Other operating income	<u>68,921</u>	<u>72,165</u>

4 Operating profit

Operating profit is stated after charging/(crediting)

	2012 £	2011 £
Amortisation of intangible assets	7,628	7,628
Depreciation of owned fixed assets	96,510	85,043
Depreciation of assets held under finance lease agreements	–	16,620
Profit on disposal of fixed assets	(4,010)	(62,533)
Operating lease costs		
-Plant and machinery	15,319	16,203
Net loss on foreign currency translation	2,714	7,684
Auditor's remuneration - audit of the financial statements	8,800	8,450
Auditor's remuneration - other fees	<u>1,230</u>	<u>930</u>
	2012 £	2011 £
Auditor's remuneration - audit of the financial statements	<u>8,800</u>	<u>8,450</u>
Auditor's remuneration - other fees		
- Taxation services	<u>1,230</u>	<u>930</u>

CARGO MARKETING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

5 Particulars of employees

The average number of staff employed by the group during the financial year amounted to

	2012	2011
	No	No
Number of administrative staff	8	8
Number of management staff	3	3
Number of operations staff	45	45
Number of sales staff	4	4
	<u>60</u>	<u>60</u>

The aggregate payroll costs of the above were

	2012	2011
	£	£
Wages and salaries	2,284,943	2,171,629
Social security costs	320,603	251,497
Other pension costs	189,530	183,932
	<u>2,795,076</u>	<u>2,607,058</u>

6 Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2012	2011
	£	£
Remuneration receivable	495,066	470,877
Value of company pension contributions to money purchase schemes	96,000	96,000
	<u>591,066</u>	<u>566,877</u>

Remuneration of highest paid director:

	2012	2011
	£	£
Total remuneration (excluding pension contributions)	265,768	253,618
Value of company pension contributions to money purchase schemes	48,000	48,000
	<u>313,768</u>	<u>301,618</u>

The number of directors on whose behalf the company made pension contributions was as follows

	2012	2011
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

CARGO MARKETING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

7. Interest payable and similar charges

	2012	2011
	£	£
Interest payable on bank borrowing	5,225	7,165
Finance charges	<u>1,286</u>	<u>2,579</u>
	<u>6,511</u>	<u>9,744</u>

8 Taxation on ordinary activities

(a) Analysis of charge in the year

	2012		2011	
	£	£	£	£
UK taxation				
In respect of the year				
UK Corporation tax		69,968		124,000
(Over)/under provision in prior year		<u>1,107</u>		<u>(259)</u>
		<u>71,075</u>		<u>123,741</u>
Foreign tax				
Current tax on income for the year	<u>7,105</u>		-	
Group current tax		7,105		-
Share of joint venture taxation charge		<u>1,605</u>		<u>16,165</u>
		<u>79,785</u>		<u>139,906</u>
Deferred tax				
Origination and reversal of timing differences	<u>(672)</u>		<u>2,990</u>	
Total deferred tax (note 18)		<u>(672)</u>		<u>2,990</u>
Tax on profit on ordinary activities		<u>79,113</u>		<u>142,896</u>

CARGO MARKETING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

8. Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 26% (2011 - 28%)

	2012	2011
	£	£
Profit on ordinary activities before taxation	<u>228,070</u>	<u>482,030</u>
Profit on ordinary activities by rate of tax	59,298	134,968
Effects of		
Expenses not deductible for tax purposes (including goods)	34,888	5,905
Capital allowances for period in excess of depreciation	1,824	(2,219)
Marginal relief	-	(958)
Tax chargeable at lower rates	(17,363)	(3,638)
Adjustments to tax charge in respect of previous periods	1,107	4,991
Rounding on tax charge	(31)	282
Other short term timing differences	62	575
Total current tax (note 8(a))	<u>79,785</u>	<u>139,906</u>

9. Loss attributable to members of the parent company

The loss dealt with in the financial statements of the parent company was £(74,591) (2011 - £464,834)

10 Intangible fixed assets

Group

	Goodwill
	£
Cost	
At 1 April 2011 and 31 March 2012	<u>76,275</u>
Amortisation	
At 1 April 2011	22,884
Charge for the year	7,628
At 31 March 2012	<u>30,512</u>
Net book value	
At 31 March 2012	<u>45,763</u>
At 31 March 2011	<u>53,391</u>

CARGO MARKETING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

11 Tangible fixed assets

Group	Freehold land and buildings £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost				
At 1 April 2011	928,795	919,674	66,512	1,914,981
Additions	2,678	43,029	–	45,707
Disposals	–	–	(22,813)	(22,813)
At 31 March 2012	<u>931,473</u>	<u>962,703</u>	<u>43,699</u>	<u>1,937,875</u>
Depreciation				
At 1 April 2011	121,568	749,503	41,419	912,490
Charge for the year	18,276	63,989	14,245	96,510
On disposals	–	–	(16,623)	(16,623)
At 31 March 2012	<u>139,844</u>	<u>813,492</u>	<u>39,041</u>	<u>992,377</u>
Net book value				
At 31 March 2012	<u>791,629</u>	<u>149,211</u>	<u>4,658</u>	<u>945,498</u>
At 31 March 2011	<u>807,227</u>	<u>170,171</u>	<u>25,093</u>	<u>1,002,491</u>

Finance lease agreements

Included within the net book value of £945,498 is £Nil (2011 - £25,093) relating to assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £Nil (2011 - £16,620)

Company	Freehold land and buildings £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost				
At 1 April 2011	928,795	919,674	66,512	1,914,981
Additions	2,678	43,029	–	45,707
Disposals	–	–	(22,813)	(22,813)
At 31 March 2012	<u>931,473</u>	<u>962,703</u>	<u>43,699</u>	<u>1,937,875</u>
Depreciation				
At 1 April 2011	121,568	749,503	41,419	912,490
Charge for the year	18,276	63,989	14,245	96,510
On disposals	–	–	(16,623)	(16,623)
At 31 March 2012	<u>139,844</u>	<u>813,492</u>	<u>39,041</u>	<u>992,377</u>
Net book value				
At 31 March 2012	<u>791,629</u>	<u>149,211</u>	<u>4,658</u>	<u>945,498</u>
At 31 March 2011	<u>807,227</u>	<u>170,171</u>	<u>25,093</u>	<u>1,002,491</u>

CARGO MARKETING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

11. Tangible fixed assets (continued)

Freehold land and buildings

The gross book value of freehold land and buildings includes £728,795 (2010 - £728,795) of depreciable assets

Finance lease agreements

Included within the net book value of £945,498 is £Nil (2011 - £25,093) relating to assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £Nil (2011 - £16,620)

12. Investments

Group	Total £
Cost	
At 1 April 2011 and 31 March 2012	<u>240,000</u>
Net book value	
At 31 March 2012 and 31 March 2011	<u>240,000</u>

Company	Group companies £	Other investments £	Total £
Cost			
At 1 April 2011 and 31 March 2012	<u>304,021</u>	<u>577,000</u>	<u>881,021</u>
Amounts written off			
At 1 April 2011	86,170	-	86,170
Written off in year	<u>216,851</u>	<u>-</u>	<u>216,851</u>
At 31 March 2012	<u>303,021</u>	<u>-</u>	<u>303,021</u>
Net book value			
At 31 March 2012	<u>1,000</u>	<u>577,000</u>	<u>578,000</u>
At 31 March 2011	<u>217,851</u>	<u>577,000</u>	<u>794,851</u>

CARGO MARKETING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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12. Investments (continued)

Investments

The company holds more than 20% in the following companies which are unlisted

Name	Country of incorporation	Holding	Proportion of voting rights	Principal activity
Subsidiary undertakings				
Cargo Marketing (London) Limited	England & Wales	Ordinary shares	100%	Dormant company
Cargotrans Limited	England & Wales	Ordinary shares	100%	Dormant company
Cargo Marketing Services LLC	USA	Ordinary shares	100%	Freight brokerers
North Star Cargo Services Limited	England & Wales	Ordinary shares	100%	Dormant company
Joint venture				
King International Shipping Services Limited	England & Wales	Ordinary shares	50%	Group consolidation for international cargo movements

13. Debtors

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	3,718,639	3,723,837	3,718,639	3,723,837
Amounts owed by undertakings in which the company has a participating interest	–	5,340	–	5,340
VAT recoverable	144,648	147,543	144,648	147,543
Other debtors	81,860	42,016	44,765	41,016
Directors current accounts	1,475	5,555	1,475	5,555
Prepayments and accrued income	120,372	109,106	120,372	109,106
	<u>4,066,994</u>	<u>4,033,397</u>	<u>4,029,899</u>	<u>4,032,397</u>

CARGO MARKETING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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14. Creditors: Amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	749,957	50,864	749,957	50,864
Trade creditors	2,938,132	3,631,574	2,914,963	3,631,574
Amounts owed to undertakings in which the company has a participating interest	65,663	–	65,663	–
Finance lease agreements	–	10,838	–	10,838
Other creditors including taxation and social security				
Corporation tax	69,968	130,030	69,968	130,030
PAYE and social security	132,142	83,182	132,142	83,182
Other creditors	9,290	8,567	9,290	8,567
Accruals and deferred income	421,425	680,486	418,382	657,091
	<u>4,386,577</u>	<u>4,595,541</u>	<u>4,360,365</u>	<u>4,572,146</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	<u>749,957</u>	<u>50,864</u>	<u>749,957</u>	<u>50,864</u>

15. Creditors Amounts falling due after more than one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	<u>66,602</u>	<u>155,896</u>	<u>66,602</u>	<u>155,896</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	<u>66,602</u>	<u>155,896</u>	<u>66,602</u>	<u>155,896</u>

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

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

CARGO MARKETING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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16 Commitments under finance leases agreements

Future commitments under finance leases agreements are as follows

	2012	2011
	£	£
Group and Company		
Amounts payable within 1 year	-	10,838
	<u>-</u>	<u>10,838</u>

17. Pensions

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 £93,530 (2011 - £87,932)

There were outstanding contributions of £8,875 (2011 - £8,567) at the year end which are included within other creditors

18. Deferred taxation

The movement in the deferred taxation provision during the year was

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Provision brought forward	10,263	7,273	10,263	7,273
(Decrease)/Increase in provision	(672)	2,990	(672)	2,990
Provision carried forward	<u>9,591</u>	<u>10,263</u>	<u>9,591</u>	<u>10,263</u>

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of

Group	2012		2011	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	11,721	-	12,490	-
Timing differences on pensions	(2,130)	-	(2,227)	-
	<u>9,591</u>	<u>-</u>	<u>10,263</u>	<u>-</u>

The company's provision for deferred taxation consists of the tax effect of timing differences in respect of

Company	2012		2011	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	11,721	-	12,490	-
Timing differences on pensions	(2,130)	-	(2,227)	-
	<u>9,591</u>	<u>-</u>	<u>10,263</u>	<u>-</u>

CARGO MARKETING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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19. Commitments under operating leases

At 31 March 2012 the group had annual commitments under non-cancellable operating leases as set out below

Group	2012		2011	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire				
Within 1 year	60,000	15,319	28,500	-
Within 2 to 5 years	120,000	-	-	-
	<u>180,000</u>	<u>15,319</u>	<u>28,500</u>	<u>-</u>

At 31 March 2012 the company had annual commitments under non-cancellable operating leases as set out below

Company	2012		2011	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire				
Within 1 year	60,000	15,319	28,500	-
Within 2 to 5 years	120,000	-	-	-
	<u>180,000</u>	<u>15,319</u>	<u>28,500</u>	<u>-</u>

CARGO MARKETING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

20. Related party transactions

Ultimate Controlling entity

The group is controlled by D G Horwell who owns 94.42% of the issued share capital of the parent company, Cargo Marketing Services Limited

Related party transactions

Transactions during the year ended 31 March 2012 with related parties were as follows

Sales - sale of services

	2012	2011
	£	£
King International Shipping Services Limited	<u>—</u>	<u>1,771</u>

Purchases - purchase of services

	2012	2011
	£	£
King International Shipping Services Limited	<u>28,538</u>	<u>—</u>

All transactions were conducted under normal commercial terms

Consultancy fees

	2012	2011
	£	£
Cargo International Marketing Services Limited	<u>461,905</u>	<u>431,749</u>

The services of the majority shareholder D G Horwell are provided through Cargo International Marketing Services Limited

At 31 March 2012 the following amounts were due from/(to) related party interests as follows

	2012	2011
	£	£
King International Shipping Services Limited	<u>(65,663)</u>	<u>5,340</u>

The amount due to King International Shipping Services Limited is included within creditors due within one year

No additional transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8

CARGO MARKETING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

20. Related party transactions (continued)

Directors' loan accounts

Included in other debtors are amounts due from the following directors

	Maximum amounts due during the year		At 31 March	
	2012	2011	2012	2011
	£	£	£	£
D G Horwell	–	435	–	435
M R Frearson	5,420	10,432	1,475	5,120
	<u>5,420</u>	<u>10,867</u>	<u>1,475</u>	<u>5,555</u>

No interest has been charged on directors' loans

21. Share capital

Authorised share capital

	2012	2011
	£	£
450,900 Ordinary shares of £1 each	450,900	450,900
10,000 A Ordinary shares of £0.01 each	100	100
	<u>451,000</u>	<u>451,000</u>

Allotted, called up and fully paid

	2012		2011	
	No	£	No	£
450,900 Ordinary shares of £1 each	<u>450,900</u>	<u>450,900</u>	<u>450,900</u>	<u>450,900</u>

22. Reserves

Group

	Share premium account	Capital redemption reserve	Profit and loss account
	£	£	£
Balance brought forward	85,991	600	2,311,816
Profit for the year	–	–	148,957
Foreign exchange differences	–	–	(236)
Balance carried forward	<u>85,991</u>	<u>600</u>	<u>2,460,537</u>

CARGO MARKETING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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22. Reserves (continued)

Company	Share premium account £	Capital redemption reserve £	Profit and loss account £
Balance brought forward	85,991	100	2,449,304
Loss for the year	—	—	(74,591)
Balance carried forward	<u>85,991</u>	<u>100</u>	<u>2,374,713</u>

23. Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	148,957	339,134
Foreign exchange differences	(236)	13,122
Net addition to shareholders' funds	<u>148,721</u>	<u>352,256</u>
Opening shareholders' funds	<u>2,849,307</u>	<u>2,497,051</u>
Closing shareholders' funds	<u>2,998,028</u>	<u>2,849,307</u>

24. Notes to the cash flow statement

**Reconciliation of operating profit to net cash (outflow)/inflow
from operating activities**

	2012 £	2011 £
Operating profit	249,136	441,357
Amortisation	7,628	7,628
Depreciation	96,510	101,663
Profit on disposal of fixed assets	(4,010)	(62,533)
Increase in debtors	(33,596)	(260,394)
(Decrease)/increase in creditors	(837,157)	622,591
Net cash (outflow)/inflow from operating activities	<u>(521,489)</u>	<u>850,312</u>

CARGO MARKETING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

24. Notes to the cash flow statement (continued)

Reconciliation of net cash flow to movement in net funds

	2012		2011	
	£	£	£	£
(Decrease)/increase in cash in the period	(799,568)		1,026,206	
Net cash outflow from bank loans	89,294		84,177	
Cash outflow in respect of finance leases	<u>10,838</u>		<u>20,399</u>	
Change in net funds resulting from cash flows		(699,436)		1,130,782
Translation differences		<u>(236)</u>		<u>13,122</u>
Movement in net funds in the period		<u>(699,672)</u>		<u>1,143,904</u>
Net funds at 1 April 2011		1,746,375		<u>602,471</u>
Net funds at 31 March 2012		<u>1,046,703</u>		<u>1,746,375</u>

Analysis of changes in net funds

	At 1 April 2011 £	Cash flows £	Exchange movement £	At 31 March 2012 £
Net cash				
Cash in hand and at bank	1,963,973	(100,711)	–	1,863,262
Overdrafts	<u>–</u>	<u>(698,857)</u>	<u>(236)</u>	<u>(699,093)</u>
	<u>1,963,973</u>	<u>(799,568)</u>	<u>(236)</u>	<u>1,164,169</u>
Debt				
Debt due within 1 year	(50,864)	–	–	(50,864)
Debt due after 1 year	(155,896)	89,294	–	(66,602)
Finance lease agreements	<u>(10,838)</u>	<u>10,838</u>	<u>–</u>	<u>–</u>
	<u>(217,598)</u>	<u>100,132</u>	<u>–</u>	<u>(117,466)</u>
Net funds	<u>1,746,375</u>	<u>(699,436)</u>	<u>(236)</u>	<u>1,046,703</u>