

CARGO MARKETING SERVICES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

Company Registration Number 01416708

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CARGO MARKETING SERVICES LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

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CARGO MARKETING SERVICES LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 MARCH 2013

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	Baker Tilly Audit Limited Chartered Accountants Charterhouse Legge Street Birmingham B4 7EU

CARGO MARKETING SERVICES LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2013

The directors present their report and the financial statements of the group for the year ended 31 March 2013

Principal activities and business review

The principal activity of the group 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 2012/2013.

Two of the performance indicators used by the group are turnover and gross profit. Group turnover increased by 4.0% this year (2012 - increase of 2.9%), 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 slightly lower than last year at 15.3% (2012 - 15.5%).

The performance of all three branches remained consistent through the year. In April 2012 the field sales person from Tamworth branch left the company. It was decided not to replace this person and for all internal staff to be more sales focused when talking with clients over the telephone. There was no effect noticed by the loss of this sales person. Our LCL import department was targeted as the area for most potential growth. This was to come through us securing nomination shipments rather than relying on our overseas partners performance. During this time we have seen good growth through this directive.

Results and dividends

The profit for the year, after taxation, amounted to £214,620. 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 M R Frearson
Mrs T L Bennett

CARGO MARKETING SERVICES LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2013

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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Baker Tilly Audit Limited (formerly 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 11 - 12 - 13

CARGO MARKETING SERVICES LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARGO
MARKETING SERVICES LIMITED
YEAR ENDED 31 MARCH 2013

We have audited the group and parent company financial statements ("the financial statements") of Cargo Marketing Services Limited for the year ended 31 March 2013 on pages 6 to 26. 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

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 2013 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 2013

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

Baker Tilly Audit Limited

Mark Evans, Senior Statutory Auditor
For and on behalf of

Baker Tilly Audit Limited, Statutory Auditor
Charterhouse
Legge Street
Birmingham
B4 7EU

Prior to 30 September 2013 Baker Tilly Audit Limited was named RSM Tenon Audit Limited

12th December 2013

CARGO MARKETING SERVICES LIMITED
GROUP PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2013

	Note	2013 £	2012 £
Group turnover	2	29,466,840	28,331,568
Cost of sales		(24,945,429)	(23,941,289)
Gross profit		<u>4,521,411</u>	<u>4,390,279</u>
Administrative expenses		(4,239,096)	(4,210,064)
Other operating income	3	18,037	68,921
Operating profit	4	<u>300,352</u>	<u>249,136</u>
Share of joint venture operating profit/loss		<u>21,323</u>	<u>(16,896)</u>
Total operating profit: Group and share of joint ventures		321,675	232,240
Interest receivable		964	2,313
Share of interest receivable, joint venture		—	28
Interest payable and similar charges	7	(2,293)	(6,511)
Profit on ordinary activities before taxation		<u>320,346</u>	<u>228,070</u>
Tax on profit on ordinary activities	8	(105,726)	(79,113)
Profit for the financial year	9	<u>214,620</u>	<u>148,957</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 26 form part of these financial statements

CARGO MARKETING SERVICES LIMITED
GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 MARCH 2013

	2013 £	2012 £
Profit for the financial year excluding share of profit/(loss) of joint venture	201,382	167,430
Share of joint venture profit/(loss) for the year	<u>13,238</u>	<u>(18,473)</u>
Profit attributable to shareholders of the parent company	214,620	148,957
Group revaluation surpluses		
Share of revaluation surpluses, joint venture	<u>85,600</u>	<u>—</u>
	300,220	148,957
Currency translation differences on foreign currency net investments	<u>2,728</u>	<u>(236)</u>
Total gains and losses recognised since the last annual report	<u>302,948</u>	<u>148,721</u>

The notes on pages 12 to 26 form part of these financial statements

CARGO MARKETING SERVICES LIMITED

GROUP BALANCE SHEET

31 MARCH 2013

	Note	2013 £	£	2012 £	£
Fixed assets					
Intangible assets	10		38,135		45,763
Tangible assets	11		920,741		945,498
Investments	12				
Investments in joint ventures					
Share of gross assets		431,146		322,674	
Share of gross liabilities		(33,027)		(23,393)	
		398,119		299,281	
Other investments		240,000		240,000	
			638,119		539,281
			1,596,995		1,530,542
Current assets					
Debtors	13	4,775,298		4,066,994	
Cash at bank and in hand		1,597,093		1,863,262	
		6,372,391		5,930,256	
Creditors: Amounts falling due within one year	14	(4,657,346)		(4,386,577)	
Net current assets			1,715,045		1,543,679
Total assets less current liabilities			3,312,040		3,074,221
Creditors. Amounts falling due after more than one year	15		—		(66,602)
Provisions for liabilities					
Deferred taxation	17		(11,064)		(9,591)
			3,300,976		2,998,028
Capital and reserves					
Called-up share capital	20		450,900		450,900
Share premium account	21		85,991		85,991
Revaluation reserve	21		85,600		—
Other reserves	21		600		600
Profit and loss account	21		2,677,885		2,460,537
Shareholders' funds	22		3,300,976		2,998,028

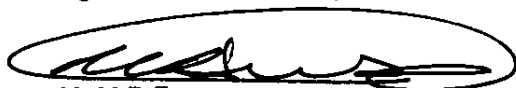
The Balance sheet continues on the following page
The notes on pages 12 to 26 form part of these financial statements

CARGO MARKETING SERVICES LIMITED

GROUP BALANCE SHEET *(continued)*

31 MARCH 2013

These accounts were approved by the directors and authorised for issue on 11-12-13, and are signed on their behalf by



Mr M R Frearson
Director



Mrs T L Bennett
Director

The notes on pages 12 to 26 form part of these financial statements

CARGO MARKETING SERVICES LIMITED

Registered Number 01416708

BALANCE SHEET**31 MARCH 2013**

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	11	920,741	945,498
Investments	12	578,000	578,000
		<u>1,498,741</u>	<u>1,523,498</u>
Current assets			
Debtors	13	4,763,923	4,029,899
Cash at bank and in hand		1,553,271	1,794,865
		<u>6,317,194</u>	<u>5,824,764</u>
Creditors: Amounts falling due within one year	14	<u>(4,655,079)</u>	<u>(4,360,365)</u>
Net current assets		1,662,115	1,464,399
Total assets less current liabilities		<u>3,160,856</u>	<u>2,987,897</u>
Creditors: Amounts falling due after more than one year	15	–	(66,602)
Provisions for liabilities			
Deferred taxation	17	(11,064)	(9,591)
		<u>3,149,792</u>	<u>2,911,704</u>
Capital and reserves			
Called-up share capital	20	450,900	450,900
Share premium account	21	85,991	85,991
Other reserves	21	100	100
Profit and loss account	21	2,612,801	2,374,713
Shareholders' funds		<u>3,149,792</u>	<u>2,911,704</u>

These accounts were approved by the directors and authorised for issue on 11-12-13, and are signed on their behalf by



Mr M R Frearson
Director



Mrs T L Bennett
Director

The notes on pages 12 to 26 form part of these financial statements

CARGO MARKETING SERVICES LIMITED
GROUP CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2013

	Note	2013 £	£	2012 £	£
Net cash inflow/(outflow) from operating activities	23		19,055		(521,489)
Returns on investments and Servicing of finance					
Interest received		964		2,313	
Interest paid		(2,293)		(5,225)	
Interest element of finance leases and similar		—		(1,286)	
Net cash outflow from returns on investments and servicing of finance			(1,329)		(4,198)
Taxation			(101,512)		(138,242)
Capital expenditure					
Payments to acquire tangible fixed assets		(58,887)		(45,707)	
Receipts from sale of fixed assets		7,000		10,200	
Net cash outflow from capital expenditure			(51,887)		(35,507)
Cash outflow before financing			(135,673)		(699,436)
Financing					
Repayment of bank loans		(93,388)		(89,294)	
Capital element of finance leases and similar		—		(10,838)	
Net cash outflow from financing			(93,388)		(100,132)
Decrease in cash	23		(229,061)		(799,568)

The notes on pages 12 to 26 form part of these financial statements

CARGO MARKETING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, 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 profit and loss account after or up to the date that control passes respectively. As a consolidated 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

The turnover shown in the profit and loss account represents the value of all goods and services delivered during the year, at selling price exclusive of Value Added Tax. Sales are recognised at the point at which the company has fulfilled its contractual obligations to the customer.

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

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation 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 buildings	- 2.5% straight line basis
Fixtures & fittings	- 15 - 25% straight line basis
Motor vehicles	- 25% straight line basis

Freehold land is not depreciated.

Assets that have been revalued are subject to subsequent revaluations in the third and fifth year following the previous revaluation, or when there are indications of a significant change in the value of the revalued assets. The valuations are performed by a qualified external valuer. The basis of the valuation is existing use value.

CARGO MARKETING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

1. Accounting policies (continued)

Revaluation surpluses are taken to the revaluation reserve. Deficits on subsequent revaluations are charged to the profit and loss account if they are considered to arise as a result of the consumption of the economic benefits provided by the asset. Other deficits on revaluation are charged to the revaluation reserve up to the amount of the associated revaluation surplus. Any excess deficits are charged to the profit and loss account.

Where an asset that was previously revalued is disposed of, its book value is eliminated and an appropriate transfer is made from the revaluation reserve to the profit and loss reserve.

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Fixed asset investments

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

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 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 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.

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 that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

CARGO MARKETING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

1 Accounting policies (continued)

Foreign currencies

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. 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.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and on foreign currency borrowings, to the extent that they hedge the Group's investment in such operations, are reported in the statement of total recognised gains and losses. All other exchange differences are included in the profit and loss account.

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.

	2013	2012
	£	£
United Kingdom	28,729,500	25,097,057
Overseas	737,340	3,234,511
	<u>29,466,840</u>	<u>28,331,568</u>

3. Other operating income

	2013	2012
	£	£
Other operating income	<u>18,037</u>	<u>68,921</u>

4 Operating profit

Operating profit is stated after charging/(crediting)

	2013	2012
	£	£
Amortisation of intangible assets	7,628	7,628
Depreciation of owned fixed assets	82,644	96,510
Profit on disposal of fixed assets	(6,000)	(4,010)
Operating lease costs		
-Plant and machinery	14,989	15,319
Net (profit)/loss on foreign currency translation	(1,786)	2,714
Auditor's remuneration - audit of the financial statements	9,250	8,800
Auditor's remuneration - other fees	<u>1,970</u>	<u>1,230</u>

CARGO MARKETING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

	2013 £	2012 £
Auditor's remuneration - audit of the financial statements	<u>9,250</u>	<u>8,800</u>
Auditor's remuneration - other fees		
- Taxation services	<u>1,970</u>	<u>1,230</u>

5. Particulars of employees

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

	2013 No	2012 No
Number of administrative staff	8	8
Number of management staff	2	3
Number of operations staff	47	45
Number of sales staff	<u>3</u>	<u>4</u>
	<u>60</u>	<u>60</u>

The aggregate payroll costs of the above were

	2013 £	2012 £
Wages and salaries	2,323,527	2,284,943
Social security costs	287,322	320,603
Other pension costs	<u>215,121</u>	<u>189,530</u>
	<u>2,825,970</u>	<u>2,795,076</u>

6. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2013 £	2012 £
Remuneration receivable	504,911	495,066
Value of company pension contributions to money purchase schemes	<u>96,000</u>	<u>96,000</u>
	<u>600,911</u>	<u>591,066</u>

Remuneration of highest paid director

	2013 £	2012 £
Total remuneration (excluding pension contributions)	270,658	265,768
Value of company pension contributions to money purchase schemes	<u>48,000</u>	<u>48,000</u>
	<u>318,658</u>	<u>313,768</u>

CARGO MARKETING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

6. Directors' remuneration (continued)

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

	2013	2012
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

7 Interest payable and similar charges

	2013	2012
	£	£
Interest payable on bank borrowing	2,293	5,225
Finance charges	<u>—</u>	<u>1,286</u>
	<u>2,293</u>	<u>6,511</u>

8. Taxation on ordinary activities

(a) Analysis of charge in the year

	2013		2012	
	£	£	£	£
UK taxation				
In respect of the year				
UK Corporation tax		85,608		69,968
(Over)/under provision in prior year		<u>(1,389)</u>		<u>1,107</u>
		84,219		71,075
Foreign tax				
Current tax on income for the year	<u>11,949</u>		<u>7,105</u>	
Group current tax		11,949		7,105
Share of joint venture taxation charge		<u>8,085</u>		<u>1,605</u>
		104,253		79,785
Deferred tax				
Origination and reversal of timing differences	<u>1,473</u>		<u>(672)</u>	
Total deferred tax (note 17)		<u>1,473</u>		<u>(672)</u>
Tax on profit on ordinary activities		<u>105,726</u>		<u>79,113</u>

CARGO MARKETING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

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 24% (2012 - 26%)

	2013	2012
	£	£
Profit on ordinary activities before taxation	<u>320,346</u>	<u>228,070</u>
Profit on ordinary activities by rate of tax	76,883	59,298
Effects of		
Expenses not deductible for tax purposes (including goods)	11,233	34,888
Capital allowances for period in excess of depreciation	(378)	1,824
Marginal relief	(1,380)	-
Tax chargeable at lower rates	16,630	(17,363)
Adjustments to tax charge in respect of previous periods	(1,389)	1,107
Rounding on tax charge	-	(31)
Other short term timing differences	<u>2,654</u>	<u>62</u>
Total current tax (note 8(a))	<u>104,253</u>	<u>79,785</u>

9. Profit attributable to members of the parent company

The profit dealt with in the financial statements of the parent company was £238,088 (2012 - £(74,591))

10. Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 April 2012 and 31 March 2013	<u>76,275</u>
Amortisation	
At 1 April 2012	30,512
Charge for the year	<u>7,628</u>
At 31 March 2013	<u>38,140</u>
Net book value	
At 31 March 2013	<u>38,135</u>
At 31 March 2012	<u>45,763</u>

CARGO MARKETING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

11. Tangible fixed assets

Group	Freehold land and buildings £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost or valuation				
At 1 April 2012	931,473	962,703	43,699	1,937,875
Additions	2,943	55,944	–	58,887
Disposals	–	(471,298)	(43,699)	(514,997)
At 31 March 2013	<u>934,416</u>	<u>547,349</u>	<u>–</u>	<u>1,481,765</u>
Depreciation				
At 1 April 2012	139,844	813,492	39,041	992,377
Charge for the year	18,325	60,661	3,658	82,644
On disposals	–	(471,298)	(42,699)	(513,997)
At 31 March 2013	<u>158,169</u>	<u>402,855</u>	<u>–</u>	<u>561,024</u>
Net book value				
At 31 March 2013	<u>776,247</u>	<u>144,494</u>	<u>–</u>	<u>920,741</u>
At 31 March 2012	<u>791,629</u>	<u>149,211</u>	<u>4,658</u>	<u>945,498</u>
Company	Freehold land and buildings £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost or valuation				
At 1 April 2012	931,473	962,703	43,699	1,937,875
Additions	2,943	55,944	–	58,887
Disposals	–	(471,298)	(43,699)	(514,997)
At 31 March 2013	<u>934,416</u>	<u>547,349</u>	<u>–</u>	<u>1,481,765</u>
Depreciation				
At 1 April 2012	139,844	813,492	39,041	992,377
Charge for the year	18,325	60,661	3,658	82,644
On disposals	–	(471,298)	(42,699)	(513,997)
At 31 March 2013	<u>158,169</u>	<u>402,855</u>	<u>–</u>	<u>561,024</u>
Net book value				
At 31 March 2013	<u>776,247</u>	<u>144,494</u>	<u>–</u>	<u>920,741</u>
At 31 March 2012	<u>791,629</u>	<u>149,211</u>	<u>4,658</u>	<u>945,498</u>

Freehold land and buildings

The gross book value of freehold land and buildings includes £734,416 (2012 - £731,473) of depreciable assets

CARGO MARKETING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

12. Investments

Group	Total £
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Cost	
At 1 April 2012 and 31 March 2013	<u>240,000</u>

Net book value	
At 31 March 2013 and 31 March 2012	<u>240,000</u>

Company	Group companies £	Other investments £	Total £
Cost			
At 1 April 2012 and 31 March 2013	<u>304,021</u>	<u>577,000</u>	<u>881,021</u>
Amounts written off			
At 1 April 2012 and 31 March 2013	<u>303,021</u>	<u>-</u>	<u>303,021</u>
Net book value			
At 31 March 2013 and 31 March 2012	<u>1,000</u>	<u>577,000</u>	<u>578,000</u>

Investments

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

Name	Country of incorporation	Holding of voting rights	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%	Freight brokerers
Joint venture				
King International Shipping Services Limited	England & Wales	Ordinary shares	50%	Group consolidation for international cargo movements

CARGO MARKETING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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13. Debtors

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	4,491,902	3,718,639	4,490,184	3,718,639
Amounts owed by group undertakings	—	—	83	—
VAT recoverable	135,744	144,648	135,637	144,648
Shareholders' Loan Account	947	—	947	—
Other debtors	27,282	81,860	25,360	44,765
Directors current accounts	5,221	1,475	5,221	1,475
Prepayments and accrued income	114,202	120,372	106,491	120,372
	<u>4,775,298</u>	<u>4,066,994</u>	<u>4,763,923</u>	<u>4,029,899</u>

14. Creditors: Amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	683,335	749,957	683,335	749,957
Trade creditors	3,353,710	2,938,132	3,323,994	2,914,963
Amounts owed to undertakings in which the company has a participating interest	28,747	65,663	28,747	65,663
Other creditors including taxation and social security	—	—	—	—
Corporation tax	64,624	69,968	86,368	69,968
PAYE and social security	82,829	132,142	82,829	132,142
Other creditors	4,152	9,290	10,845	9,290
Accruals and deferred income	439,949	421,425	438,961	418,382
	<u>4,657,346</u>	<u>4,386,577</u>	<u>4,655,079</u>	<u>4,360,365</u>

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

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	<u>683,335</u>	<u>749,957</u>	<u>683,335</u>	<u>749,957</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.

15. Creditors: Amounts falling due after more than one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	<u>—</u>	<u>66,602</u>	<u>—</u>	<u>66,602</u>

CARGO MARKETING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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15. Creditors: Amounts falling due after more than one year (continued)

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

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	<u>—</u>	<u>66,602</u>	<u>—</u>	<u>66,602</u>

16. 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 £215,121 (2012 - £189,530).

There were outstanding contributions of £10,845 (2012 - £8,875) at the year end which are included within other creditors.

17. Deferred taxation

The movement in the deferred taxation provision during the year was

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Provision brought forward	9,591	10,263	9,591	10,263
Increase/(Decrease) in provision	1,473	(672)	1,473	(672)
Provision carried forward	<u>11,064</u>	<u>9,591</u>	<u>11,064</u>	<u>9,591</u>

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

Group	2013		2012	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	13,349	-	11,721	-
Timing differences on pensions	(2,285)	-	(2,130)	-
	<u>11,064</u>	<u>-</u>	<u>9,591</u>	<u>-</u>

CARGO MARKETING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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17. Deferred taxation (continued)

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

Company	2013		2012	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	13,349	-	11,721	-
Timing differences on pensions	(2,285)	-	(2,130)	-
	<u>11,064</u>	<u>-</u>	<u>9,591</u>	<u>-</u>

18. Commitments under operating leases

At 31 March 2013 the group had annual commitments under non-cancellable operating leases as set out below

Group	2013		2012	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire				
Within 1 year	60,000	29,282	60,000	15,319
Within 2 to 5 years	102,500	32,883	120,000	-
	<u>162,500</u>	<u>62,165</u>	<u>180,000</u>	<u>15,319</u>

At 31 March 2013 the company had annual commitments under non-cancellable operating leases as set out below

Company	2013		2012	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire				
Within 1 year	60,000	29,282	60,000	15,319
Within 2 to 5 years	102,500	32,883	120,000	-
	<u>162,500</u>	<u>62,165</u>	<u>180,000</u>	<u>15,319</u>

CARGO MARKETING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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19. 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 2013 with related parties were as follows

Sales - sale of services

	2013	2012
	£	£
King International Shipping Services Limited	<u>7,311</u>	<u>-</u>

Purchases - purchase of services

	2013	2012
	£	£
King International Shipping Services Limited	<u>709</u>	<u>28,538</u>

All transactions were conducted under normal commercial terms

Consultancy fees

	2013	2012
	£	£
Cargo International Marketing Services Limited	<u>590,526</u>	<u>461,905</u>

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

At the year end Mr D G Horwell owed £947 (2012 - £Nil) to the company. This amount is included within debtors due within one year. No interest is charged on the balance.

At 31 March 2013 the following amounts were due from/(to) related party interests as follows

	2013	2012
	£	£
King International Shipping Services Limited	<u>(28,747)</u>	<u>(65,663)</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 2013

19. Related party transactions (continued)

Directors' loan accounts

Included in other debtors are amounts due from the following directors

	Maximum balance £	2013 £	2012 £
Mr M R Frearson	6,183	4,973	1,475
Mrs T L Bennett	248	248	–
	<u>6,431</u>	<u>5,221</u>	<u>1,475</u>

No interest is charged on directors' loans

20. Share capital

Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
Ordinary shares of £1 each	<u>450,900</u>	<u>450,900</u>	<u>450,900</u>	<u>450,900</u>

21. Reserves

Group	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £
Balance brought forward	85,991	–	600	2,460,537
Profit for the year	–	–	–	214,620
Foreign exchange differences	–	–	–	2,728
Other gains and losses - Revaluation of fixed assets	–	85,600	–	–
Balance carried forward	<u>85,991</u>	<u>85,600</u>	<u>600</u>	<u>2,677,885</u>

CARGO MARKETING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

21. Reserves (continued)

Company	Share premium account £	Capital redemption reserve £	Profit and loss account £
Balance brought forward	85,991	100	2,374,713
Profit for the year	—	—	238,088
Balance carried forward	<u>85,991</u>	<u>100</u>	<u>2,612,801</u>

22. Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Profit for the financial year	214,620	148,957
Other net recognised gains and losses	85,600	—
Foreign exchange differences	2,728	(236)
Net addition to shareholders' funds	302,948	148,721
Opening shareholders' funds	2,998,028	2,849,307
Closing shareholders' funds	<u>3,300,976</u>	<u>2,998,028</u>

23. Notes to the cash flow statement

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

	2013 £	2012 £
Operating profit	300,352	249,136
Amortisation	7,628	7,628
Depreciation	82,644	96,510
Profit on disposal of fixed assets	(6,000)	(4,010)
Increase in debtors	(708,304)	(33,596)
Increase/(decrease) in creditors	342,735	(837,157)
Net cash inflow/(outflow) from operating activities	<u>19,055</u>	<u>(521,489)</u>

CARGO MARKETING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

23. Notes to the cash flow statement (continued)

Reconciliation of net cash flow to movement in net funds

	2013		2012	
	£	£	£	£
Decrease in cash in the period	(229,061)		(799,568)	
Net cash outflow from bank loans	93,388		89,294	
Cash outflow in respect of finance leases and similar	<u>—</u>		<u>10,838</u>	
Change in net funds resulting from cash flows		(135,673)		(699,436)
Translation differences		<u>2,728</u>		<u>(236)</u>
Movement in net funds in the period		(132,945)		(699,672)
Net funds at 1 April 2012		<u>1,046,703</u>		<u>1,746,375</u>
Net funds at 31 March 2013		<u>913,758</u>		<u>1,046,703</u>

Analysis of changes in net funds

	At 1 April 2012 £	Cash flows £	Exchange movement £	At 31 March 2013 £
Net cash				
Cash in hand and at bank	1,863,262	(266,169)	—	1,597,093
Overdrafts	<u>(699,093)</u>	<u>37,108</u>	<u>2,728</u>	<u>(659,257)</u>
	<u>1,164,169</u>	<u>(229,061)</u>	<u>2,728</u>	<u>937,836</u>
Debt				
Debt due within 1 year	(50,864)	26,786	—	(24,078)
Debt due after 1 year	<u>(66,602)</u>	<u>66,602</u>	<u>—</u>	<u>—</u>
	<u>(117,466)</u>	<u>93,388</u>	<u>—</u>	<u>(24,078)</u>
Net funds	<u>1,046,703</u>	<u>(135,673)</u>	<u>2,728</u>	<u>913,758</u>