

Company Registration Number 01416708

Cargo Marketing Services Limited

Annual report

31 March 2015

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Cargo Marketing Services Limited

Annual report

Year ended 31 March 2015

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Cargo Marketing Services Limited

Company information

The board of directors

Mr M R Frearson
Mrs T L Bennett

Company secretary

Mrs T L Bennett

Registered office

Ocean House
Marston Park
Tamworth
Staffordshire
B78 3HU

Auditor

Moore Stephens LLP
Chartered Accountants and Statutory Auditor
35 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

Cargo Marketing Services Limited

Strategic report

Year ended 31 March 2015

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, the Middle East and Australasia. 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 for 2014/15 to be acceptable.

The 75% acquisition of Maritime Service Line UK Limited and the launch of Auto Box Logistics Limited took the group into the start of the new financial year with new challenges.

It was important that we did not take focus away from Cargo Marketing activities as this is the core and most profitable part of our business but we needed to bring the above two businesses to the attention of our own teams.

We modernised the complete model of Maritime Service Line UK Limited by upgrading their freight software, launching a brand new web site and taking over various administration and accounting roles. These efficiencies have allowed them to spend more time on sales and customer service improvements which has resulted in an improved profitability and a very satisfactory performance for the year.

Auto Box Logistics Limited has been, and will continue to be, more challenging. The core business to Australasia saw this trade lane fall massively for cars, due to exchange rate issues with the New Zealand dollar making the importation of cars much more expensive. We started an additional service to Malaysia and unfortunately this trade lane experienced the same issues. With the investment of racks made we are confident of a change in fortune for these trade lanes and new opportunities are constantly being investigated.

Key financial performance indicators

	2015 £	2014 £
Turnover	31,166,659	26,626,829
Operating (loss)/profit	402,292	153,513
(loss)/profit after taxation	285,103	94,844

The performance indicators used by the group are primarily gross profit and turnover. However, we also pay particular attention to cash levels. Turnover shows a 16.9% increase compared to 2014 which has resulted in an improved gross profit of £5.5m compared to £4.3m in 2014.

The group achieved a better gross margin percentage this year at 17.6% compared to that of 16.4% in 2014.

Cargo Marketing Services Limited

Strategic report *(continued)*

Year ended 31 March 2015

Financial risk management objectives and policies

The group is exposed to moderate level of price risk, credit risk, liquidity risk and cash flow risk. The group manages these by financing its operations through retained profits, and its own cash reserves.

The management objectives are to retain sufficient liquid funds to enable it to meet its day to day requirements, minimise the group's risk to fluctuating interest rates and rate of foreign exchange movements. Trade debtors are managed by a strict credit control policy, agreed payment terms along with official credit limit checks.

The group makes little use of financial instruments other than an operational bank account, so its exposure to the above risks are not really material for the assessment of the assets, liabilities, financial position and profit or loss of the group.

Signed on behalf of the directors



Mrs T L Bennett

Director

Approved by the directors on 10/11/15

Cargo Marketing Services Limited

Directors' report

Year ended 31 March 2015

The directors present their report and the audited financial statements of the group for the year ended 31 March 2015

Results and dividends

The profit for the year, after taxation, amounted to £285,103. The directors have not recommended a dividend.

Directors

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

Mr M R Frearson

Mrs T L Bennett

Directors' responsibilities

The directors are responsible for preparing the strategic report, 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,
- 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.

Strategic report

Information as required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the Strategic Report.

Cargo Marketing Services Limited

Directors' report *(continued)*

Year ended 31 March 2015

Auditor

Baker Tilly UK Audit LLP resigned from office during the year and Moore Stephens LLP were appointed in their place. It is the intention to appoint Moore Stephens LLP as auditor for the ensuing year.

Each of the persons who is a director at the date of approval of this report confirms that

- so far as they are aware, there is no relevant audit information of which the group's auditor is unaware, and
- they have 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.

Signed on behalf of the directors



Mrs T L Bennett

Director

Approved by the directors on 10/11/15

Cargo Marketing Services Limited

Independent auditor's report to the shareholders of Cargo Marketing Services Limited

Year ended 31 March 2015

We have audited the group and parent company financial statements ("the financial statements") of Cargo Marketing Services Limited for the year ended 31 March 2015 which comprise the profit and loss account, group statement of total recognised gains and losses, group balance sheet and company balance sheet, group cash flow statement and the related notes. 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 shareholders, 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 shareholders 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 shareholders 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 4, 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 the 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and 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 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.

Moore Stephens LLP

PAUL FENNER (Senior Statutory Auditor)
for and on behalf of **MOORE STEPHENS LLP**
Chartered Accountants and Statutory Auditor
Birmingham

12 November 2015.

Cargo Marketing Services Limited**Profit and loss account****Year ended 31 March 2015**

	Note	2015 £	2014 £
Group turnover	2	31,166,659	26,626,829
Cost of sales		(25,639,608)	(22,262,691)
Gross profit		5,527,051	4,364,138
Administrative expenses		(5,143,989)	(4,245,003)
Other operating income	3	–	22,674
Operating profit	4	383,062	141,809
Share of joint venture operating profit		13,182	5,497
TOTAL OPERATING PROFIT GROUP AND SHARE OF JOINT VENTURES		396,244	147,306
Interest receivable		992	650
Share of interest receivable, joint venture		5,056	5,557
Interest payable and similar charges	7	–	(182)
Profit on ordinary activities before taxation		402,292	153,331
Tax on profit on ordinary activities	8	(99,611)	(58,487)
Profit on ordinary activities after taxation		302,681	94,844
Minority interests		(17,578)	–
Profit attributable to members of the parent company	9	285,103	94,844

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

There is no difference between the results shown above and their historical cost equivalents

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 2015

	2015	2014
	£	£
Profit for the financial year excluding share of profit of joint venture	272,796	86,761
Share of joint venture profit for the year	12,307	8,083
Profit attributable to shareholders of the parent company	285,103	94,844
Currency translation differences on foreign currency net investments	1,930	(3,340)
Total gains and losses recognised since the last annual report	287,033	91,504

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

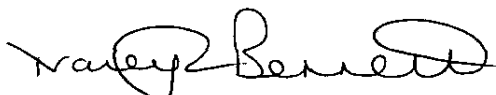
Cargo Marketing Services Limited

Group balance sheet

As at 31 March 2015

	Note	2015 £	2014 £
Fixed assets			
Intangible assets	10	130,280	149,841
Tangible assets	11	1,029,538	973,074
Investments	12		
Investments in joint ventures			
Share of gross assets		405,813	417,322
Share of gross liabilities		(7,303)	(11,120)
		<u>398,510</u>	<u>406,202</u>
Other investments		240,000	240,000
		<u>638,510</u>	<u>646,202</u>
		<u>1,798,328</u>	<u>1,769,117</u>
Current assets			
Debtors	13	5,670,019	4,352,920
Cash at bank and in hand		<u>1,319,434</u>	<u>2,054,093</u>
		<u>6,989,453</u>	<u>6,407,013</u>
Creditors: amounts falling due within one year	14	<u>(4,954,597)</u>	<u>(4,642,725)</u>
Net current assets		<u>2,034,856</u>	<u>1,764,288</u>
Total assets less current liabilities		<u>3,833,184</u>	<u>3,533,405</u>
Creditors amounts falling due after more than one year	15	(55,000)	(90,000)
Provisions for liabilities			
Deferred taxation	17	<u>(33,072)</u>	<u>(2,905)</u>
		<u>3,745,112</u>	<u>3,440,500</u>
Minority interests		<u>(65,598)</u>	<u>(48,020)</u>
		<u>3,679,514</u>	<u>3,392,480</u>
Capital and reserves			
Called up equity share capital	20	450,900	450,900
Share premium account	21	85,991	85,991
Revaluation reserve	21	85,600	85,600
Other reserves	21	600	600
Profit and loss account	21	3,056,423	2,769,389
Shareholders' funds	22	<u>3,679,514</u>	<u>3,392,480</u>

These financial statements were approved by the directors and authorised for issue on 10/11/15, and are signed on their behalf by



Mrs T L Bennett
Director

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

Cargo Marketing Services Limited

Balance sheet

As at 31 March 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	11	836,854	871,792
Investments	12	911,393	891,393
		<u>1,748,247</u>	<u>1,763,185</u>
Current assets			
Debtors	13	5,256,891	3,849,763
Cash at bank and in hand		1,088,366	1,892,086
		<u>6,345,257</u>	<u>5,741,849</u>
Creditors amounts falling due within one year	14	<u>(4,408,742)</u>	<u>(4,119,021)</u>
Net current assets		1,936,515	1,622,828
Total assets less current liabilities		<u>3,684,762</u>	<u>3,386,013</u>
Creditors amounts falling due after more than one year	15	(45,000)	(90,000)
Provisions for liabilities			
Deferred taxation	17	1,840	(2,905)
		<u>3,641,602</u>	<u>3,293,108</u>
Capital and reserves			
Called up equity 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	3,104,611	2,756,117
Shareholders' funds		<u>3,641,602</u>	<u>3,293,108</u>

These financial statements were approved by the directors and authorised for issue on 10/11/15, and are signed on their behalf by



Mrs T L Bennett
Director

Company Registration Number 01416708

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 2015

	Note	2015 £	2014 £
Net cash (outflow)/inflow from operating activities	23	(75,345)	815,167
Dividends received from joint ventures		20,000	—
Returns on investments and servicing of finance	23	992	468
Taxation	23	(78,446)	(80,410)
Capital expenditure and financial investment	23	(142,802)	(133,107)
Acquisitions and disposals	23	—	79,159
(Decrease)/increase in cash	23	<u>(275,601)</u>	<u>681,277</u>

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 2015

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 United Kingdom 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 the 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, the 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 amounts invoiced during the year, 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, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - Over 10 years

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, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Land and Buildings	- 2-5% straight line basis
Equipment, Fixtures & Fittings	- 15-25% 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 where there are indications of a significant change in the value of revalued assets. The valuations are performed by a qualified external valuer. The basis of the valuation is existing use value.

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.

Cargo Marketing Services Limited

Notes to the financial statements

Year ended 31 March 2015

1 Accounting policies (continued)

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

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 are 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 material 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, or a right to pay less or to receive more 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

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the date 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 the overseas operations are translated at the average rate 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

Cargo Marketing Services Limited

Notes to the financial statements

Year ended 31 March 2015

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

	2015 £	2014 £
United Kingdom	29,650,346	25,583,103
Overseas sales	1,516,313	1,043,726
	<u>31,166,659</u>	<u>26,626,829</u>

3 Other operating income

	2015 £	2014 £
Other operating income	<u>—</u>	<u>22,674</u>

4 Operating profit

Operating profit is stated after charging

	2015 £	2014 £
Amortisation of intangible assets	19,561	7,628
Depreciation of owned fixed assets	86,338	89,427
Operating lease costs		
- Plant and equipment	9,809	14,579
Net loss on foreign currency translation	2,316	319
Auditor's remuneration - audit of the financial statements	12,000	11,500
Auditor's remuneration - other fees	5,750	1,500
	<u>12,000</u>	<u>11,500</u>
Auditor's remuneration - other fees		
- Local statutory audit of subsidiary	4,000	—
- Taxation services	1,750	1,500
	<u>5,750</u>	<u>1,500</u>

Cargo Marketing Services Limited

Notes to the financial statements

Year ended 31 March 2015

5 Particulars of employees

The average number of staff, including executive directors, employed by the group during the financial year can be analysed as follows

	2015 No	2014 No
Number of administrative staff	12	8
Number of management staff	2	2
Number of operations staff	57	49
Number of sales staff	4	3
	<u>75</u>	<u>62</u>

The aggregate payroll costs of the above were

	2015 £	2014 £
Wages and salaries	3,018,395	2,457,779
Social security costs	319,511	292,867
Other pension costs	222,359	219,604
	<u>3,560,265</u>	<u>2,970,250</u>

6 Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2015 £	2014 £
Remuneration receivable	545,401	538,555
Value of company pension contributions to money purchase schemes	92,000	96,000
	<u>637,401</u>	<u>634,555</u>

Remuneration of highest paid director

	2015 £	2014 £
Total remuneration (excluding pension contributions)	276,500	287,360
Value of company pension contributions to money purchase schemes	46,000	48,000
	<u>322,500</u>	<u>335,360</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2015 No	2014 No
Money purchase schemes	<u>2</u>	<u>2</u>

Cargo Marketing Services Limited

Notes to the financial statements

Year ended 31 March 2015

7 Interest payable and similar charges

	2015 £	2014 £
Interest payable on bank borrowing	<u>—</u>	<u>182</u>

8 Taxation on ordinary activities

(a) Analysis of charge in the year

	2015 £	2014 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 21% (2014 - 20%)	85,517	61,540
(Over)/under provision in prior year	<u>96</u>	<u>2,135</u>
	85,613	63,675
Other adjustments	<u>(22,100)</u>	<u>-</u>
	63,513	63,675
Share of joint venture taxation charge	<u>5,931</u>	<u>2,971</u>
Total current tax	<u>69,444</u>	<u>66,646</u>
Deferred tax		
Origination and reversal of timing differences	<u>30,167</u>	<u>(8,159)</u>
Tax on profit on ordinary activities	<u>99,611</u>	<u>58,487</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is at a lower rate than the standard rate of corporation tax in the UK of 21% (2014 - 20%)

	2015 £	2014 £
Profit on ordinary activities before taxation	<u>402,292</u>	<u>153,331</u>
Profit on ordinary activities multiplied by rate of tax	84,481	35,266
Expenses not deductible for tax purposes	15,802	10,074
Depreciation for period in excess of capital allowances	(9,078)	7,594
Utilisation of tax losses	(22,100)	-
Unrelieved tax losses	-	11,436
Tax chargeable at lower rates	(1,276)	-
Adjustments to tax charge in respect of previous periods	96	2,135
Marginal relief	-	(236)
Foreign tax	1,651	-
Sundry tax adjusting items	<u>(132)</u>	<u>377</u>
Total current tax (note 8(a))	<u>69,444</u>	<u>66,646</u>

Cargo Marketing Services Limited

Notes to the financial statements

Year ended 31 March 2015

9 Profit attributable to members of the parent company

The profit dealt with in the financial statements of the parent company was £348,494 (2014 - £143,316)

10 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 April 2014 and 31 March 2015	<u>195,609</u>
Amortisation	
At 1 April 2014	45,768
Charge for the year	<u>19,561</u>
At 31 March 2015	<u>65,329</u>
Net book value	
At 31 March 2015	<u>130,280</u>
At 31 March 2014	<u>149,841</u>

11 Tangible fixed assets

Group	Freehold Land and Buildings £	Fixtures & Fittings £	Total £
Cost or valuation			
At 1 April 2014	934,416	689,109	1,623,525
Additions	—	142,802	142,802
At 31 March 2015	<u>934,416</u>	<u>831,911</u>	<u>1,766,327</u>
Depreciation			
At 1 April 2014	176,529	473,922	650,451
Charge for the year	18,360	67,978	86,338
At 31 March 2015	<u>194,889</u>	<u>541,900</u>	<u>736,789</u>
Net book value			
At 31 March 2015	<u>739,527</u>	<u>290,011</u>	<u>1,029,538</u>
At 31 March 2014	<u>757,887</u>	<u>215,187</u>	<u>973,074</u>

Cargo Marketing Services Limited

Notes to the financial statements

Year ended 31 March 2015

11. Tangible fixed assets *(continued)*

Company	Freehold Land and Buildings £	Fixtures & Fittings £	Total £
Cost or valuation			
At 1 April 2014	934,416	585,420	1,519,836
Additions	–	35,015	35,015
At 31 March 2015	934,416	620,435	1,554,851
Depreciation			
At 1 April 2014	176,529	471,515	648,044
Charge for the year	18,360	51,593	69,953
At 31 March 2015	194,889	523,108	717,997
Net book value			
At 31 March 2015	739,527	97,327	836,854
At 31 March 2014	757,887	113,905	871,792

Freehold Land and Buildings

The gross book value of freehold land and buildings for both the group and the company includes £734,416 (2014 - £734,416) of depreciable assets

12 Investments

Group	Other Investments £
Cost	
At 1 April 2014 and 31 March 2015	240,000
Net book value	
At 31 March 2015 and 31 March 2014	240,000

Cargo Marketing Services Limited

Notes to the financial statements

Year ended 31 March 2015

Company	Group Companies £	Other Investments £	Total £
Cost			
At 1 April 2014 and 31 March 2015	<u>904,415</u>	<u>240,000</u>	<u>1,144,415</u>
Amounts written off			
At 1 April 2014 and 31 March 2015	<u>303,021</u>	<u>-</u>	<u>303,021</u>
Loans			
At 1 April 2014	<u>49,999</u>	<u>-</u>	<u>49,999</u>
Advanced in year	<u>20,000</u>	<u>-</u>	<u>20,000</u>
At 31 March 2015	<u>69,999</u>	<u>-</u>	<u>69,999</u>
Net book value			
At 31 March 2015	<u>671,393</u>	<u>240,000</u>	<u>911,393</u>
At 31 March 2014	<u>651,393</u>	<u>240,000</u>	<u>891,393</u>

Investments

The company holds more than 20% of the issued share capital in the following companies which are unlisted

	Class of shares	Holding	Country of incorporation	Nature of business
Subsidiary undertakings				
Cargo Marketing (London) Limited	Ordinary	100%	England & Wales	Dormant company
Cargotrans Limited	Ordinary	100%	USA	Dormant company
North Star Cargo Services Limited	Ordinary	100%	England & Wales	Freight brokers
Maritime Service Line UK Limited	Ordinary	75%	England & Wales	Freight brokers
Auto Box Logistics Limited	Ordinary	100%	England & Wales	Freight brokers

North Star Cargo Services Limited and Auto Box Logistics Limited are exempt from audit by virtue of s479A of the Companies Act 2006

Subsidiary undertakings

King International Shipping Services Limited	Ordinary	50%	England & Wales	Property rental
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The company has a 50% holding in King International Shipping Services Limited, whose principal activity is that of property rental

At the balance sheet date the net assets of King International Shipping Services Limited were £797,020 (2014 - £812,204) and the profit for the financial year after taxation was £24,616 (2014 - £16,168)

The above information was extracted from the unaudited financial statements of King International Shipping Services Limited for the year ended 31 March 2015

Cargo Marketing Services Limited

Notes to the financial statements

Year ended 31 March 2015

13 Debtors

	2015 £	Group 2014 £	2015 £	Company 2014 £
Trade debtors	5,269,327	4,022,471	4,694,659	3,465,624
Amounts owed by group undertakings	—	—	229,277	83,990
VAT recoverable	209,929	148,969	169,695	146,211
Amounts due from shareholders	1,799	—	1,799	—
Corporation tax repayable	9,483	—	—	—
Other debtors	40,224	74,532	28,024	47,998
Directors current accounts	11,592	3,088	11,592	3,088
Prepayments and accrued income	127,665	103,860	121,845	102,852
	<u>5,670,019</u>	<u>4,352,920</u>	<u>5,256,891</u>	<u>3,849,763</u>

14 Creditors: amounts falling due within one year

	2015 £	Group 2014 £	2015 £	Company 2014 £
Overdrafts	—	459,058	—	459,058
Trade creditors	3,785,673	3,198,157	3,399,164	2,815,274
Amounts owed to undertakings in which the company has a participating interest	98,556	709	—	709
Corporation tax	68,360	73,810	42,850	61,425
Other taxation and social security	102,001	92,323	95,316	91,388
Amounts due from shareholders	—	74	—	74
Other creditors	117,172	171,356	117,172	128,065
Accruals and deferred income	782,835	647,238	754,240	563,028
	<u>4,954,597</u>	<u>4,642,725</u>	<u>4,408,742</u>	<u>4,119,021</u>

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

	2015 £	Group 2014 £	2015 £	Company 2014 £
Overdrafts	—	459,058	—	459,058

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

15 Creditors amounts falling due after more than one year

	2015 £	Group 2014 £	2015 £	Company 2014 £
Other creditors	<u>55,000</u>	<u>90,000</u>	<u>45,000</u>	<u>90,000</u>

Cargo Marketing Services Limited

Notes to the financial statements

Year ended 31 March 2015

16 Pensions

The company operates a defined contribution pension scheme for its directors and employees. The assets of the schemes are held separately from those of the company in an independently administered fund. During the year contributions to the scheme totalled £222,359 (2014 - £219,604).

There were unpaid contributions outstanding at the year end of £17,948 (2014 - £10,401) which are included within other creditors.

17 Deferred taxation

The movement in the deferred taxation provision during the year was

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Provision brought forward	2,905	11,064	2,905	11,064
Increase/(Decrease) in provision	30,167	(8,159)	(4,745)	(8,159)
Provision/Asset carried forward	<u>33,072</u>	<u>2,905</u>	<u>(1,840)</u>	<u>2,905</u>

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

Group	2015		2014	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	36,662	-	5,218	-
Timing differences on pensions	(3,590)	-	(2,313)	-
	<u>33,072</u>	<u>-</u>	<u>2,905</u>	<u>-</u>

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

Company	2015		2014	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	1,750	-	5,218	-
Timing differences on pensions	(3,590)	-	(2,313)	-
	<u>(1,840)</u>	<u>-</u>	<u>2,905</u>	<u>-</u>

Cargo Marketing Services Limited

Notes to the financial statements

Year ended 31 March 2015

18 Commitments under operating leases

At 31 March 2015 the group had annual commitments under non-cancellable operating leases as set out below

Group	2015		2014	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire				
Within 1 year	60,000	23,322	60,000	29,907
Within 2 to 5 years	72,500	13,671	42,500	17,349
	<u>132,500</u>	<u>36,993</u>	<u>102,500</u>	<u>47,256</u>

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as set out below

Company	2015		2014	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire				
Within 1 year	60,000	23,322	60,000	29,907
Within 2 to 5 years	72,500	13,671	42,500	17,349
	<u>132,500</u>	<u>36,993</u>	<u>102,500</u>	<u>47,256</u>

Cargo Marketing Services Limited

Notes to the financial statements

Year ended 31 March 2015

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

Related party transactions

Transactions during the year ended 31 March 2015 with related parties were as follows

Sales - sale of services

	2015 £	2014 £
King International Shipping Services Limited	<u>10,013</u>	<u>-</u>

All transactions were conducted under normal commercial terms

Consultancy fees

	2015 £	2014 £
Cargo International Marketing Services Limited	<u>568,129</u>	<u>345,930</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 was owed £29,596 (2014 - £nil) from the company. This amount was included within creditors due within one year. No interest is charged on this balance.

At 31 March 2015 the following amounts were due from/(to) related party interests as follows

	2015 £	2014 £
King International Shipping Services Limited	<u>(98,556)</u>	<u>709</u>

The amount due to King International Shipping Services Limited was 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 2015

19 Related party transactions (continued)

Directors' loan accounts

Included in other debtors are amounts due from the following directors

	Amounts outstanding		Maximum liability during the year
	2015	2014	
	£	£	£
Mr M R Frearson	11,592	3,088	52,747

No interest is charged on directors' loans

20. Share capital

Allotted, called up and fully paid

	2015		2014	
	No	£	No	£
Ordinary shares of £1 each	450,900	450,900	450,900	450,900

21 Reserves

Group	Share premium account	Revaluation reserve	Capital redemption reserve	Profit and loss account
	£	£	£	£
Balance brought forward	85,991	85,600	600	2,769,389
Profit for the year	—	—	—	285,103
Foreign exchange differences	—	—	—	1,931
Balance carried forward	85,991	85,600	600	3,056,423

Cargo Marketing Services Limited

Notes to the financial statements

Year ended 31 March 2015

21. Reserves (continued)

Company	Share premium account £	Capital redemption reserve £	Profit and loss account £
Balance brought forward	85,991	100	2,756,117
Profit for the year	—	—	348,494
Balance carried forward	<u>85,991</u>	<u>100</u>	<u>3,104,611</u>

22. Reconciliation of movements in shareholders' funds

	2015 £	2014 £
Profit for the financial year	285,103	94,844
Foreign exchange differences	1,931	(3,340)
Net addition to shareholders' funds	<u>287,034</u>	<u>91,504</u>
Opening shareholders' funds	3,392,480	3,300,976
Closing shareholders' funds	<u>3,679,514</u>	<u>3,392,480</u>

23. Notes to the cash flow statement

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

	2015 £	2014 £
Operating profit	383,062	141,809
Amortisation	19,561	7,628
Depreciation	86,338	89,427
(Increase)/decrease in debtors	(1,307,616)	999,362
Increase/(decrease) in creditors	741,379	(419,719)
Foreign currency movements	1,931	(3,340)
Net cash (outflow)/inflow from operating activities	<u>(75,345)</u>	<u>815,167</u>

Returns on investments and servicing of finance

	2015 £	2014 £
Interest received	992	650
Interest paid	—	(182)
Net cash inflow from returns on investments and servicing of finance	<u>992</u>	<u>468</u>

Cargo Marketing Services Limited

Notes to the financial statements

Year ended 31 March 2015

23. Notes to the cash flow statement (continued)

Taxation

	2015 £	2014 £
Taxation	<u>(78,446)</u>	<u>(80,410)</u>

Capital expenditure

	2015 £	2014 £
Payments to acquire tangible fixed assets	<u>(142,802)</u>	<u>(133,107)</u>
Net cash outflow from capital expenditure	<u>(142,802)</u>	<u>(133,107)</u>

Acquisitions and disposals

	2015 £	2014 £
Net cash acquired with subsidiary	<u>–</u>	<u>79,159</u>
Net cash inflow from acquisitions and disposals	<u>–</u>	<u>79,159</u>

Reconciliation of net cash flow to movement in net funds

	2015 £	2014 £
(Decrease)/Increase in cash in the period	<u>(275,601)</u>	<u>681,277</u>
Net cash (inflow) from other long-term creditors		<u>–</u>
Movement in net funds in the period	<u>(275,601)</u>	<u>681,277</u>
Net funds at 1 April 2014	<u>1,595,035</u>	<u>913,758</u>
Net funds at 31 March 2015	<u>1,319,434</u>	<u>1,595,035</u>

Analysis of changes in net funds

	At 1 Apr 2014 £	Cash flows £	At 31 Mar 2015 £
Net cash			
Cash in hand and at bank	2,054,093	(734,659)	1,319,434
Overdrafts	<u>(459,058)</u>	<u>459,058</u>	<u>–</u>
	<u>1,595,035</u>	<u>(275,601)</u>	<u>1,319,434</u>
Net funds	<u>1,595,035</u>	<u>(275,601)</u>	<u>1,319,434</u>