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Registered number: 01416708

CARGO MARKETING SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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CARGO MARKETING SERVICES LIMITED

COMPANY INFORMATION

Directors	Mr M R Frearson Mrs T L Bennett
Company secretary	Mrs T L Bennett
Registered number	01416708
Registered office	Ocean House Marston Park Tamworth Staffordshire B78 3HU
Independent auditors	Moore Stephens LLP Chartered Accountant and Statutory Auditor 35 Calthorpe Road Edgbaston Birmingham B15 1TS

CARGO MARKETING SERVICES LIMITED

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CARGO MARKETING SERVICES LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2016

The directors present their group strategic report for the year ended 31 March 2016.

Principal activity

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

Business review

The Cargo Marketing Services Group continued to maintain market share and profitability throughout the financial year 2015/16 and Maritime Service Line UK Limited have embraced the efficiencies of being part of our organisation and the performance has reflected these changes.

Auto Box Logistics Limited ("Auto Box") continued to be the biggest challenge but the introduction of a new partner in the USA who have their own racks but needed a company that was experienced in the handling of racks has helped in bringing Auto Box to a more positive position. The marketing of Auto Box has increased and the awareness of the brand has been stepped up by staff of Cargo Marketing Services Limited and Maritime Service Line UK Limited and also through all websites.

In the final quarter we launched a new car brand called 'Car Shipping Made Simple', which is targeting the private individual who is emigrating or retuning to the United Kingdom and wants to ship his car. This is a purely web based product and once a booking is received is then handled by Auto Box Logistics Limited.

For the future we are expecting a much fiercer and difficult time ahead for the Cargo Marketing Services Group. A major contract that was handled for Tamworth has finished and replacing this business has been difficult. The Tamworth branch has been without a dedicated Sales Person for four years however this year we have promoted a member of staff from the import department to the role of Sales Executive from January 1st therefore recognising the need in this area. Also, since the EU referendum decision/"Brexit" and the fall of Sterling, the profitability on Imports has reduced due to the incentive methods that is operated with some of our overseas partners.

On the positive side, a weak Sterling means that buying and exporting cars from the United Kingdom is more attractive and therefore a pleasing prospect is expected for Auto Box Logistics Limited. There is also the potential of a new partner in Cyprus who controls 30 per week and it is planned to commence this service in the final quarter of 2017.

Financial key performance indicators

The performance indicators used by the group are primarily gross profit and turnover. However, we also pay particular attention to cash levels.

Group Turnover decreased by 8.0% from £31,166,659 to £28,677,720 during the year. Despite this fall in turnover Gross Profit has increased to £5,578,666 compared to £5,527,051 in the previous year.

The group achieved a better gross margin percentage this year at 19.5% compared to that of 17.6% in 2015.

As can be seen by the cash flow statement on page 14 the group has reported positive operating cash flows of £952,799 and an overall increase in cash of £920,218.

CARGO MARKETING SERVICES LIMITED

**GROUP STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016**

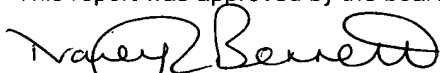
Principal risks and uncertainties

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 retain 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.

This report was approved by the board on 15TH DECEMBER 2016 and signed on its behalf.


Mrs T L Bennett
Director

CARGO MARKETING SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report and the financial statements for the year ended 31 March 2016.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the group financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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 company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £308,952 (2015 - £302,681).

No dividends were paid by the company in the year (2015 - £nil). The directors do not recommend a final dividend.

Directors

The directors who served during the year were:

Mr M R Frearson
Mrs T L Bennett

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 Group Strategic Report.

CARGO MARKETING SERVICES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the group since the year end.

Auditors

The auditors, Moore Stephens LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 15TH DECEMBER 2016 and signed on its behalf.



Mrs T L Bennett
Director

CARGO MARKETING SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CARGO MARKETING SERVICES LIMITED

We have audited the financial statements of Cargo Marketing Services Limited for the year ended 31 March 2016, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement 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 Financial Reporting Council'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 Group Strategic Report and the Directors' 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 the parent company's affairs as at 31 March 2016 and of the group's profit or loss 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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with those accounts and United Kingdom Generally Accepted Accounting Practice. In the light of our knowledge and understanding of the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors Report.

CARGO MARKETING SERVICES LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CARGO MARKETING SERVICES
LIMITED (CONTINUED)**

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 Accountant and Statutory Auditor

35 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

Date: 16 December 2016

CARGO MARKETING SERVICES LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 £	2015 £
Turnover	4	28,677,720	31,166,659
Cost of sales		(23,099,054)	(25,639,608)
Gross profit		5,578,666	5,527,051
Administrative expenses		(5,227,437)	(5,143,989)
Operating profit	5	351,229	383,062
Share of profit of joint venture		46,037	13,182
Total operating profit		397,266	396,244
Interest receivable and similar income	8	5,464	6,048
Interest payable and expenses	9	(191)	-
Profit before taxation		402,539	402,292
Tax on profit	10	(93,587)	(99,611)
Profit for the year		308,952	302,681
Currency translation differences		2,235	1,931
Other comprehensive income for the year		2,235	1,931
Total comprehensive income for the year		311,187	304,612
Non-controlling interests		39,790	17,578
Owners of the parent company		269,162	285,103
Profit for the year		308,952	302,681
Non-controlling interest		39,790	17,578
Owners of the parent company		271,397	287,034
Total comprehensive income for the year		311,187	304,612

There were no recognised gains and losses for 2016 or 2015 other than those included in the consolidated statement of comprehensive income.

CARGO MARKETING SERVICES LIMITED
REGISTERED NUMBER: 01416708

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2016

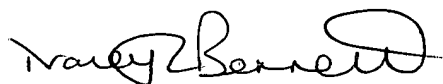
	Note	£	2016 £	£	2015 £
Fixed assets					
Intangible assets	12		81,326		130,280
Tangible assets	13		988,754		1,029,538
Other investments			240,000		240,000
Investment in joint ventures			410,354		381,390
			<u>1,720,434</u>		<u>1,781,208</u>
Current assets					
Debtors: amounts falling due within one year	16	4,000,378		5,670,019	
Cash at bank and in hand	17	2,239,652		1,319,434	
		<u>6,240,030</u>		<u>6,989,453</u>	
Creditors: amounts falling due within one year	18	(3,889,084)		(4,954,597)	
Net current assets			<u>2,350,946</u>		<u>2,034,856</u>
Total assets less current liabilities			<u>4,071,380</u>		<u>3,816,064</u>
Creditors: amounts falling due after more than one year	19		-		(55,000)
Provisions for liabilities					
Deferred taxation	21		(32,201)		(33,072)
Net assets			<u><u>4,039,179</u></u>		<u><u>3,727,992</u></u>

CARGO MARKETING SERVICES LIMITED
REGISTERED NUMBER: 01416708

CONSOLIDATED BALANCE SHEET (continued)
AS AT 31 MARCH 2016

	Note	2016 £	2015 £
Capital and reserves			
Called up share capital	22	450,900	450,900
Share premium account	23	85,991	85,991
Capital redemption reserve	23	600	600
Profit and loss account	23	3,396,300	3,124,903
Equity attributable to owners of the parent company		<u>3,933,791</u>	<u>3,662,394</u>
Non-controlling interests		105,388	65,598
		<u><u>4,039,179</u></u>	<u><u>3,727,992</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15TH DECEMBER 2016 .



Mrs T L Bennett
Director

The notes on pages 15 to 35 form part of these financial statements.

CARGO MARKETING SERVICES LIMITED
REGISTERED NUMBER: 01416708

COMPANY BALANCE SHEET
AS AT 31 MARCH 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	13		798,526		836,854
Investments	14		882,000		911,393
			<u>1,680,526</u>		<u>1,748,247</u>
Current assets					
Debtors: amounts falling due within one year	16	3,781,902		5,258,731	
Cash at bank and in hand	17	1,768,268		1,088,366	
		<u>5,550,170</u>		<u>6,347,097</u>	
Creditors: amounts falling due within one year	18	(3,357,193)		(4,408,742)	
Net current assets			<u>2,192,977</u>		<u>1,938,355</u>
Total assets less current liabilities			<u>3,873,503</u>		<u>3,686,602</u>
Creditors: amounts falling due after more than one year	19		-		(45,000)
Net assets			<u><u>3,873,503</u></u>		<u><u>3,641,602</u></u>
Capital and reserves					
Called up share capital	22		450,900		450,900
Share premium account	23		85,991		85,991
Capital redemption reserve	23		100		100
Profit and loss account	23		3,336,512		3,104,611
			<u><u>3,873,503</u></u>		<u><u>3,641,602</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
15TH DECEMBER 2016


Mrs T L Bennett
Director

The notes on pages 15 to 35 form part of these financial statements.

CARGO MARKETING SERVICES LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Equity attributable to owners of parent company	Non- controlling interests	Total equity
	£	£	£	£	£	£	£
At 1 April 2015	450,900	85,991	600	3,124,903	3,662,394	65,598	3,727,992
Comprehensive income for the year							
Profit for the year	-	-	-	269,162	269,162	-	269,162
Currency translation differences	-	-	-	2,235	2,235	-	2,235
Minority interests share of profit	-	-	-	-	-	39,790	39,790
Other comprehensive income for the year	-	-	-	2,235	2,235	39,790	42,025
Total comprehensive income for the year	-	-	-	271,397	271,397	39,790	311,187
At 31 March 2016	450,900	85,991	600	3,396,300	3,933,791	105,388	4,039,179

CARGO MARKETING SERVICES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Equity attributable to owners of parent company	Non- controlling interests	Total equity
	£	£	£	£	£	£	£
At 1 April 2014	450,900	85,991	600	2,837,869	3,375,360	48,020	3,423,380
Comprehensive income for the year							
Profit for the year	-	-	-	285,103	285,103	-	285,103
Currency translation differences	-	-	-	1,931	1,931	-	1,931
Minority interests share of profit	-	-	-	-	-	17,578	17,578
Other comprehensive income for the year	-	-	-	1,931	1,931	17,578	19,509
Total comprehensive income for the year	-	-	-	287,034	287,034	17,578	304,612
At 31 March 2015	450,900	85,991	600	3,124,903	3,662,394	65,598	3,727,992

The notes on pages 15 to 35 form part of these financial statements.

CARGO MARKETING SERVICES LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2015	450,900	85,991	100	3,104,611	3,641,602
Comprehensive income for the year					
Profit for the year	-	-	-	231,901	231,901
Total comprehensive income for the year	-	-	-	231,901	231,901
At 31 March 2016	450,900	85,991	100	3,336,512	3,873,503

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2014	450,900	85,991	100	2,756,117	3,293,108
Comprehensive income for the year					
Profit for the year	-	-	-	348,494	348,494
Total comprehensive income for the year	-	-	-	348,494	348,494
At 31 March 2015	450,900	85,991	100	3,104,611	3,641,602

The notes on pages 15 to 35 form part of these financial statements.

CARGO MARKETING SERVICES LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016**

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	308,952	302,681
Adjustments for:		
Amortisation of intangible assets	19,561	19,561
Depreciation of tangible assets	91,376	86,338
Profit on disposal of tangible assets	(6,285)	-
Interest paid	191	-
Interest received	(5,464)	(6,048)
Taxation charged	93,587	99,611
Decrease/(increase) in debtors	1,669,641	(1,307,616)
(Decrease)/increase in creditors	(1,082,441)	741,379
Share of operating profit in joint ventures	(46,037)	(13,182)
Corporation tax paid	(92,517)	(78,446)
Foreign exchange	2,235	1,931
Net cash generated from operating activities	952,799	(153,791)
Cash flows from investing activities		
Purchase of tangible fixed assets	(67,324)	(142,802)
Sale of tangible fixed assets	23,017	-
Dividends received from joint ventures	10,000	20,000
Interest received	1,895	992
Net cash from investing activities	(32,412)	(121,810)
Cash flows from financing activities		
Interest paid	(169)	-
Net cash used in financing activities	(169)	-
Net increase/(decrease) in cash and cash equivalents	920,218	(275,601)
Cash and cash equivalents at beginning of year	1,319,434	1,595,035
Cash and cash equivalents at the end of year	2,239,652	1,319,434
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,239,652	1,319,434
	2,239,652	1,319,434

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. General information

Cargo Marketing Services Limited is a company limited by shares, incorporated and domiciled in England & Wales.

The company's registered number is 01416708 and its registered office is Ocean House, Marston Park, Tamworth, Staffordshire, B78 3HU.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 27.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgment in applying the company's accounting policies (see note 3).

Certain comparatives have been re-stated or re-classified to be consistent with the current year presentation.

The functional and presentational currency for the company and the group is GBP. The financial statements have been rounded to the nearest £1.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the group and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

No profit and loss account is presented for Cargo Marketing Services Limited as permitted by section 408 of the Companies Act 2006.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 April 2014.

2.3 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.

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.4 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.

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Income Statement over its useful economic life.

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.

The estimated useful lives range as follows:

Goodwill	-	10	years
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2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold land and buildings	- 2.5% straight line basis
Plant and machinery	- 10% straight line basis
Equipment, fixtures and fittings	- 5 - 25% straight line basis
Computer equipment	- 5 - 25% straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.7 Investments

Investments held as fixed assets are shown at cost less provision for any permanent diminution in value.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

2.10 Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate under the contract.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.12 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement except when deferred in other comprehensive income as qualifying cash flow hedges.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.13 Operating leases: the group as lessee

Rentals paid under operating leases are charged to the Income Statement on a straight line basis over the lease term.

2.14 Pensions

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payments obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the group in independently administered funds.

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations for future events that we believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The nature of this business is that whilst estimates and judgements are required in certain areas, for example around prepayments and accruals, however none are considered to be critical or key estimates.

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

4. Turnover

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

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	27,520,612	29,650,346
Overseas	1,157,108	1,516,313
	<u>28,677,720</u>	<u>31,166,659</u>

5. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	91,377	86,338
Amortisation of intangible assets, including goodwill	19,561	19,561
Profit on sale of tangible assets	(6,285)	-
Fees payable to the group's auditor and its associates for the audit of the company's annual financial statements	15,000	15,000
Fees payable to the group's auditors and its associates for other services to the group:		
- The audit of the group's subsidiaries pursuant to legislation	5,000	4,000
- Taxation compliance services	2,500	2,500
- Accountancy services	4,000	1,000
Exchange differences	9,753	(19,304)
Operating lease costs	76,875	111,551
Defined contribution pension cost	<u>249,396</u>	<u>222,359</u>

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2016	2015
	£	£
Wages and salaries	3,049,570	2,924,113
Social security costs	348,360	319,511
Cost of defined contribution scheme	249,396	222,359
	3,647,326	3,465,983

The average monthly number of employees, including the directors, during the year was as follows:

	2016	2015
	No.	No.
Administration	11	12
Management	2	2
Operations	59	57
Sales	4	4
	76	75

7. Directors' remuneration

	2016	2015
	£	£
Directors' emoluments	588,400	545,401
Company contributions to defined contribution pension schemes	106,667	92,000
	695,067	637,401

During the year retirement benefits were accruing to 2 directors (2015 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £304,000 (2015 - £276,500).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £53,333 (2015 - £46,000).

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

8. Interest receivable

	2016 £	2015 £
Share of joint ventures' interest receivable	3,569	5,056
Other interest receivable	1,895	992
	<u>5,464</u>	<u>6,048</u>

9. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	169	-
Share of joint ventures' interest payable	22	-
	<u>191</u>	<u>-</u>

10. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	83,837	85,517
Adjustments in respect of previous periods	-	96
	<u>83,837</u>	<u>85,613</u>
Group taxation relief	-	(22,100)
	<u>83,837</u>	<u>63,513</u>
Share of joint venture current tax	10,621	5,931
Total current tax	<u>94,458</u>	<u>69,444</u>
Deferred tax		
Origination and reversal of timing differences	(1,996)	30,167
Changes to tax rates	(4)	-
Adjustments in respect of previous periods	1,129	-
Total deferred tax	<u>(871)</u>	<u>30,167</u>
Taxation on profit on ordinary activities	<u>93,587</u>	<u>99,611</u>

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - *higher than*) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	402,539	402,292
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	80,508	84,481
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	3,913	4,108
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	9,170	31,507
Utilisation of tax losses	-	(22,100)
Adjustments to tax charge in respect of prior periods	137	96
Foreign tax	815	1,651
Adjustments in respect of joint ventures	704	-
Sundry tax adjusting items	-	(132)
Changes in tax rates	(1,660)	-
Total tax charge for the year	93,587	99,611

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Parent company profit for the year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent company for the year was £231,901 (2015 - £348,494).

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

12. Intangible assets

Group

	Goodwill £
Cost	
At 1 April 2015	195,609
Disposals	(29,393)
At 31 March 2016	<u>166,216</u>
Amortisation	
At 1 April 2015	65,329
Charge for the year	19,561
At 31 March 2016	<u>84,890</u>
Net book value	
At 31 March 2016	<u><u>81,326</u></u>
At 31 March 2015	<u><u>130,280</u></u>

The disposal of £29,393 relates to an adjustment made to the deferred consideration in relation to the company's investment in Maritime Service Line UK Limited. The same adjustment can be seen to be made to the company's investment in Maritime Service Line UK Limited in note 14.

Company

No intangible fixed assets are held by the company.

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

13. Tangible fixed assets

Group

	Freehold land and buildings £	Plant and machinery £	Equipment, fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 April 2015	934,416	185,689	149,072	505,860	1,775,037
Additions	-	31,164	11,137	25,023	67,324
Disposals	-	(21,661)	-	-	(21,661)
At 31 March 2016	934,416	195,192	160,209	530,883	1,820,700
Depreciation					
At 1 April 2015	194,889	11,774	96,800	442,036	745,499
Charge owned for the period	18,360	20,039	18,197	34,780	91,376
Disposals	-	(4,929)	-	-	(4,929)
At 31 March 2016	213,249	26,884	114,997	476,816	831,946
Net book value					
At 31 March 2016	721,167	168,308	45,212	54,067	988,754
At 31 March 2015	739,527	173,915	52,272	63,824	1,029,538

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

13. Tangible fixed assets (continued)

Company

	Freehold property £	Equipment, fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2015	934,416	114,575	505,860	1,554,851
Additions	-	-	25,023	25,023
At 31 March 2016	934,416	114,575	530,883	1,579,874
Depreciation				
At 1 April 2015	194,889	81,072	442,036	717,997
Charge owned for the period	18,360	10,211	34,780	63,351
At 31 March 2016	213,249	91,283	476,816	781,348
At 31 March 2016	721,167	23,292	54,067	798,526
At 31 March 2015	739,527	33,503	63,824	836,854

Freehold Land and Buildings

The gross book value of freehold land and buildings for both the group and the company includes £734,416 (2015 - £734,416) of depreciable assets.

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

14. Fixed asset investments

Group

	Unlisted investments £	Investment in joint ventures £	Total £
Cost or valuation			
At 1 April 2015	240,000	381,390	621,390
Share of profit/(loss)	-	28,963	28,963
At 31 March 2016	240,000	410,353	650,353
Net book value			
At 31 March 2016	240,000	410,353	650,353
At 31 March 2015	240,000	381,390	621,390

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

14. Fixed asset investments (continued)

Company

	Investments in group companies	Unlisted investments	Loans to subsidiaries	Total
	£	£	£	£
Cost or valuation				
At 1 April 2015	904,415	240,000	69,999	1,214,414
Amounts written off	(29,393)	-	-	(29,393)
At 31 March 2016	<u>875,022</u>	<u>240,000</u>	<u>69,999</u>	<u>1,185,021</u>
Impairment				
At 1 April 2015	303,021	-	-	303,021
At 31 March 2016	<u>303,021</u>	<u>-</u>	<u>-</u>	<u>303,021</u>
Net book value				
At 31 March 2016	<u>572,001</u>	<u>240,000</u>	<u>69,999</u>	<u>882,000</u>
At 31 March 2015	<u>601,394</u>	<u>240,000</u>	<u>69,999</u>	<u>911,393</u>

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

15. Subsidiary undertakings and joint ventures

The following was a subsidiary undertaking of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Cargo Marketing (London) Limited	England & Wales	Ordinary	100 %	Dormant Company
Cargotrans Limited	England & Wales	Ordinary	100 %	Dormant Company
Cargo Marketing Services LLC	USA	Ordinary	100 %	Freight forwarding services
North Star Cargo Services Limited	England & Wales	Ordinary	100 %	Freight forwarding services
Auto Box Logistics Limited	England & Wales	Ordinary	100 %	Freight forwarding services
Maritime Service Line UK Limited	England & Wales	Ordinary	75 %	Freight forwarding services

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

Joint venture

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 £820,707 (2015 - £762,780) and the profit for the financial year after taxation was £77,927 (2015 - £24,616).

The above information was extracted from the unaudited financial statements of King International Shipping Services Limited for the year ended 31 March 2016.

16. Debtors

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade debtors	3,636,194	5,269,327	3,081,964	4,694,659
Amounts owed by group undertakings	-	-	389,423	229,277
Amounts owed by joint ventures	10,000	-	10,000	-
Other debtors	207,712	273,027	166,345	211,110
Prepayments and accrued income	146,472	127,665	132,944	121,845
Deferred taxation	-	-	1,226	1,840
	4,000,378	5,670,019	3,781,902	5,258,731

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

17. Cash and cash equivalents

	Group 2016 £	<i>Group 2015 £</i>	Company 2016 £	<i>Company 2015 £</i>
Cash at bank and in hand	2,239,652	<i>1,319,434</i>	1,768,268	<i>1,088,366</i>

18. Creditors: Amounts falling due within one year

	Group 2016 £	<i>Group 2015 £</i>	Company 2016 £	<i>Company 2015 £</i>
Trade creditors	2,783,111	<i>3,785,673</i>	2,348,227	<i>3,399,164</i>
Amounts owed to joint ventures	-	<i>98,556</i>	-	<i>-</i>
Corporation tax	59,680	<i>68,360</i>	19,063	<i>42,850</i>
Taxation and social security	122,175	<i>102,001</i>	114,996	<i>95,316</i>
Other creditors	136,124	<i>117,172</i>	120,701	<i>117,172</i>
Accruals and deferred income	787,994	<i>782,835</i>	754,206	<i>754,240</i>
	3,889,084	<i>4,954,597</i>	3,357,193	<i>4,408,742</i>

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

	Group 2016 £	<i>Group 2015 £</i>	Company 2016 £	<i>Company 2015 £</i>
Other creditors	-	<i>55,000</i>	-	<i>45,000</i>
	-	<i>55,000</i>	-	<i>45,000</i>

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

20. Financial instruments

	Group 2016 £	<i>Group 2015 £</i>	Company 2016 £	<i>Company 2015 £</i>
Financial assets				
Financial assets measured at fair value through the Income Statement	2,239,652	<i>1,319,434</i>	1,768,268	<i>1,088,366</i>
Financial assets that are debt instruments measured at amortised cost	3,853,906	<i>5,542,354</i>	3,647,732	<i>5,135,046</i>
	<u>6,093,558</u>	<i><u>6,861,788</u></i>	<u>5,416,000</u>	<i><u>6,223,412</u></i>

Financial assets measured at fair value through the Income Statement comprise cash held at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors and amounts owed from group and joint ventures.

	Group 2016 £	<i>Group 2015 £</i>	Company 2016 £	<i>Company 2015 £</i>
Financial liabilities				
Financial liabilities measured at amortised cost	3,041,410	<i>4,158,402</i>	2,583,924	<i>3,656,652</i>
	<u>3,041,410</u>	<i><u>4,158,402</u></i>	<u>2,583,924</u>	<i><u>3,656,652</u></i>

Financial Liabilities measured at amortised cost comprise bank loans and overdrafts, trade and other creditors, amounts owed to joint ventures and tax and social security creditors.

21. Deferred taxation

Group

	2016 £	- 2015 £
At beginning of year	(33,072)	(4,817)
Charged to the profit or loss	871	(28,255)
At end of year	<u>(32,201)</u>	<u>(33,072)</u>

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

21. Deferred taxation (continued)

Company

	2016 £	2015 £
At beginning of year	1,840	(2,905)
Charged to the profit or loss	(614)	4,745
At end of year	1,226	1,840

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Accelerated capital allowances	(36,186)	(36,662)	(2,759)	(1,750)
Pension surplus	3,985	3,590	3,985	3,590
	(32,201)	(33,072)	1,226	1,840

22. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
450,900 Ordinary shares shares of £1 each	450,900	450,900

23. Reserves

Share premium

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Capital redemption reserve

The reserve records the nominal value of shares repurchased by the company.

Profit and loss account

Profit and loss account reserve relates to accumulated profits less distributions to shareholders.

Included within profit and loss account reserves is £135,100 (2015 - £85,600) of non-distributable reserve which arose as a result of revaluations of freehold investment properties in the joint venture.

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

24. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £142,730 (2015 - £222,359). Contributions totalling £19,927 (2015 - £17,948) were payable to the fund at the balance sheet date and are included within creditors.

25. Commitments under operating leases

At 31 March 2016 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2016 £	<i>Group 2015 £</i>	Company 2016 £	<i>Company 2015 £</i>
Not later than 1 year	56,446	76,446	40,000	60,000
Later than 1 year and not later than 5 years	73,856	130,302	30,000	70,000
	130,302	206,748	70,000	130,000
	Group 2016 £	<i>Group 2015 £</i>	Company 2016 £	<i>Company 2015 £</i>
Not later than 1 year	55,283	23,322	55,283	23,322
Later than 1 year and not later than 5 years	87,948	39,872	87,948	39,872
	143,231	63,194	143,231	63,194

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

26. 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 director on 1 October 2011.

Related party transactions

During the year the group purchased services from King International Shipping Services Limited, a joint venture within the group, totalling £513 (2015 - £10,013). In addition, the company received dividends of £10,000 (2015 - £20,000) from King International Shipping Services Limited.

During the year the group sold services totalling £41,559 (2015 - £20,025) and purchased services totalling £42,182 (2015 - £31,688) from South American Agencies, a company which has a common director with Maritime Service Line UK Limited, a subsidiary company of Cargo Marketing Services Limited.

The services of the majority shareholder Mr D G Horwell are provided through Cargo International Marketing Services Limited. During the year the company incurred consultancy fees totalling £599,386 (2015 - £588,129).

At 31 March 2016 the following amounts were due from/(to) related party interests as follows:

	2016 £	2015 £
King International Shipping Services Limited	10,000	(98,556)
Cargo International Marketing Services Limited	(29,596)	(29,596)
	<u> </u>	<u> </u>

The amount due from/(to) related party undertakings are included within debtors/creditors under one year respectively. No interest is charged on these balances.

During the year key management personnel received remuneration, including pensions contributions, of £762,326 (2015 - £703,701).

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

27. First time adoption of FRS 102

These financial statements for the year ended 31 March 2016 are the group's first financial statements that comply with the FRS 102. The group's last financial statements prepared in accordance with previous UK GAAP were for the year ended 31 March 2015. The group and company transitioned to FRS 102 from previously extant UK GAAP as at 1 April 2014.

The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 April 2014

	Note	Group £	Company £
Equity at 1 April 2014 under previous UK GAAP		3,392,480	3,293,108
Deferred tax liability recognised in relation to unrealised surplus on revalued investment property		(17,120)	-
Equity shareholders funds at 1 April 2014 under FRS 102		<u><u>3,375,360</u></u>	<u><u>3,293,108</u></u>

Reconciliation of equity at 31 March 2015

	Note	Group £	Company £
Equity at 31 March 2015 under previous UK GAAP		3,679,514	3,641,602
Deferred tax liability recognised in relation to unrealised surplus on revalued investment property		(17,120)	-
Equity shareholders funds at 31 March 2015 under FRS 102		<u><u>3,662,394</u></u>	<u><u>3,641,602</u></u>

Reconciliation of profit and loss account for the year ended 31 March 2015

	Group £	Company £
Profit for the year under UK GAAP	285,103	348,494
Profit for the year ended 31 March 2015 under FRS 102	<u><u>285,103</u></u>	<u><u>348,494</u></u>

The following were changes in accounting policies arising from the transition to FRS 102:

- 1 Under previous UK GAAP deferred tax was not recognised on unrealised gains arising on the revaluation of investment properties. A deferred tax liability was introduced within the joint venture accounts as at 1 April 2014. The group equity shareholders funds at 1 April 2014 have therefore been adjusted to reflect this.
- 2 Under previous UK GAAP all unrealised gains on investment properties were recognised through the revaluation reserve. Under FRS 102 movements in the fair value of investment properties are taken through the income statement. As a result of this the reserves of the group have been restated in order to merge the revaluation reserve into the profit and loss reserve.