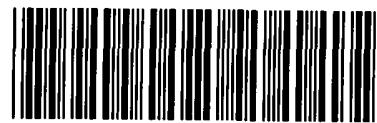


Registered number: 01416708

CARGO MARKETING SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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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 Accountants 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 2017

The directors present their group strategic report for the year ended 31 March 2017.

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 Group continued to maintain market share, albeit profitability has reduced during the year due to the fierce competition within the market.

Weak sterling against the US Dollar has resulted in a decline in Import business. This affected the level of business that our new partner for Auto Box in the USA was able to gain for the UK, so the anticipated growth did not materialise. However, in the fourth quarter we secured a new partner in Cyprus who control 50+ cars per week out of the UK and this bodes well for Auto Box prospects in 2017/18. A brand new partner in New Zealand is being considered for 2017/18 and this has the potential to double the volume of cars as this agent is purely focussed on the auto business.

Maritime Service Line UK Limited continued to strengthen due to the ongoing influence and strength of Cargo Marketing's support albeit we do not predict further growth for the following financial year.

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 4.5% from £28,677,720 to £27,383,619 during the year. Despite this fall in turnover, gross profit has increased to £5,964,465 compared to £5,578,666 in the previous year.

The group achieved a better gross margin percentage this year at 21.8% compared to that of 19.5% in 2016.

As can be seen by the cash flow statement on page 12 the group has reported positive operating cash flows of £270,516 and an overall increase in cash of £225,432.

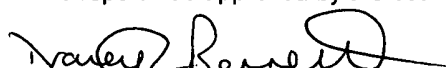
Principal risks and uncertainties

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 3RD NOVEMBER 2017 and signed on its behalf.


Mrs T L Bennett
Director

CARGO MARKETING SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

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's financial statements and then apply them consistently;
- make judgements 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;
- 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 to 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 £506,011 (2016: £269,162).

No dividends were paid by the company in the year (2016: £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 2017**

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 the director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- the 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

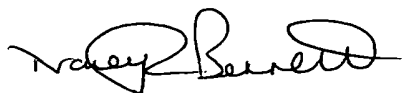
On 1 April 2017 the company's 50% holding in King International Shipping Services Limited was repurchased by the joint venture for consideration of £340,206.

There have been no other 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 3RD NOVEMBER 2017 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 2017, set out on pages 6 to 31. The relevant financial reporting framework that has been applied in their preparation is applicable law 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 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 2017 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.

CARGO MARKETING SERVICES LIMITED

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, 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 financial statements and such reports have been prepared in accordance with applicable legal requirements.

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 Group Strategic Report and the Directors' Report.

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

35 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

Date: 15 November 2017

CARGO MARKETING SERVICES LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 £	2016 £
Turnover	4	27,383,619	28,677,720
Cost of sales		(21,419,154)	(23,099,054)
Gross profit		5,964,465	5,578,666
Administrative expenses		(5,246,495)	(5,227,437)
Operating profit	5	717,970	351,229
Share of profit of joint venture		5,558	46,037
Total operating profit		723,528	397,266
Interest receivable and similar income	8	4,316	5,464
Interest payable and expenses	9	-	(191)
Profit before taxation		727,844	402,539
Tax on profit	10	(159,698)	(93,587)
Profit for the financial year		568,146	308,952
Currency translation differences		1,701	2,235
Other comprehensive income for the year		1,701	2,235
Total comprehensive income for the year		569,847	311,187
Profit for the year attributable to:			
Non-controlling interests		62,135	39,790
Owners of the parent company		506,011	269,162
		568,146	308,952
Total comprehensive income for the year attributable to:			
Non-controlling interest		62,135	39,790
Owners of the parent company		507,712	271,397
		569,847	311,187

CARGO MARKETING SERVICES LIMITED
REGISTERED NUMBER: 01416708

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Intangible assets	12		62,993		81,326
Tangible assets	13		953,649		988,754
Investment in joint ventures	14		417,356		410,354
Other investments	14		240,000		240,000
			<u>1,673,998</u>		<u>1,720,434</u>
Current assets					
Debtors: amounts falling due within one year	16	4,704,865		4,000,378	
Cash at bank and in hand	17	2,465,084		2,239,652	
		<u>7,169,949</u>		<u>6,240,030</u>	
Creditors: amounts falling due within one year	18	(4,203,520)		(3,889,084)	
Net current assets			<u>2,966,429</u>		<u>2,350,946</u>
Total assets less current liabilities			<u>4,640,427</u>		<u>4,071,380</u>
Provisions for liabilities					
Deferred taxation	19	(31,401)		(32,201)	
			<u>(31,401)</u>		<u>(32,201)</u>
Net assets			<u><u>4,609,026</u></u>		<u><u>4,039,179</u></u>
Capital and reserves					
Called up share capital	21		450,900		450,900
Share premium account	22		85,991		85,991
Capital redemption reserve	22		600		600
Profit and loss account	22		3,904,012		3,396,300
Equity attributable to owners of the parent company			<u>4,441,503</u>		<u>3,933,791</u>
Non-controlling interests			167,523		105,388
			<u><u>4,609,026</u></u>		<u><u>4,039,179</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
3RD NOVEMBER 2017


Mrs T L Bennett
Director

CARGO MARKETING SERVICES LIMITED
REGISTERED NUMBER: 01416708

COMPANY BALANCE SHEET
AS AT 31 MARCH 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	13		774,448		798,526
Investments	14		880,289		882,000
			<u>1,654,737</u>		<u>1,680,526</u>
Current assets					
Debtors: amounts falling due within one year	16	4,098,916		3,781,902	
Cash at bank and in hand	17	1,808,812		1,768,268	
		<u>5,907,728</u>		<u>5,550,170</u>	
Creditors: amounts falling due within one year	18	(3,426,871)		(3,357,193)	
Net current assets			<u>2,480,857</u>		<u>2,192,977</u>
Total assets less current liabilities			<u>4,135,594</u>		<u>3,873,503</u>
Net assets			<u>4,135,594</u>		<u>3,873,503</u>
Capital and reserves					
Called up share capital	21		450,900		450,900
Share premium account	22		85,991		85,991
Capital redemption reserve	22		100		100
Profit and loss account brought forward		3,336,512		3,104,611	
Profit for the year		<u>262,091</u>		<u>231,901</u>	
Profit and loss account carried forward			<u>3,598,603</u>		<u>3,336,512</u>
			<u>4,135,594</u>		<u>3,873,503</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3RD NOVEMBER 2017.


Mrs T L Bennett

Director

The notes on pages 12 to 31 form part of these financial statements.

CARGO MARKETING SERVICES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	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	39,790	308,952
Currency translation differences	-	-	-	2,235	2,235	-	2,235
Other comprehensive income for the year	-	-	-	2,235	2,235	-	2,235
Total comprehensive income for the year	-	-	-	271,397	271,397	39,790	311,187
At 1 April 2016	450,900	85,991	600	3,396,300	3,933,791	105,388	4,039,179
Comprehensive income for the year							
Profit for the year	-	-	-	506,011	506,011	62,135	568,146
Currency translation differences	-	-	-	1,701	1,701	-	1,701
Total comprehensive income for the year	-	-	-	507,712	507,712	62,135	569,847
At 31 March 2017	450,900	85,991	600	3,904,012	4,441,503	167,523	4,609,026

CARGO MARKETING SERVICES LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	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 1 April 2016	450,900	85,991	100	3,336,512	3,873,503
Comprehensive income for the year					
Profit for the year	-	-	-	262,091	262,091
Total comprehensive income for the year	-	-	-	262,091	262,091
At 31 March 2017	450,900	85,991	100	3,598,603	4,135,594

CARGO MARKETING SERVICES LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017**

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	568,146	308,952
Adjustments for:		
Amortisation of intangible assets	16,622	19,561
Depreciation of tangible assets	83,486	91,376
Profit on disposal of tangible assets	-	(6,285)
Interest paid	-	193
Interest received	(4,316)	(5,464)
Taxation charge	159,698	93,587
(Increase)/decrease in debtors	(704,487)	1,669,641
Increase/(decrease) in creditors	239,921	(1,082,443)
Share of operating profit in joint ventures	(5,558)	(46,037)
Corporation tax paid	(84,697)	(92,517)
Foreign exchange	1,701	2,235
Net cash generated from operating activities	270,516	952,799
Cash flows from investing activities		
Purchase of tangible fixed assets	(50,130)	(67,324)
Sale of tangible fixed assets	1,750	23,017
Dividends received from joint ventures	-	10,000
Interest received	3,296	1,895
Net cash from investing activities	(45,084)	(32,412)
Cash flows from financing activities		
Interest paid	-	(169)
Net cash used in financing activities	-	(169)
Net increase in cash and cash equivalents	225,432	920,218
Cash and cash equivalents at beginning of year	2,239,652	1,319,434
Cash and cash equivalents at the end of year	2,465,084	2,239,652
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,465,084	2,239,652

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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.

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies 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.

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

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 judgement in applying the group's accounting policies (see note 3).

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.

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.

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.

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

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
----------	------------

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.

2.7 Investments

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

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

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 group'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 2017

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 Consolidated Statement of Comprehensive Income 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 payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income 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 2017

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 Consolidated Statement of Comprehensive Income, except that a charge 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 2017**

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:

	2017 £	2016 £
United Kingdom	25,847,907	27,520,612
Overseas	1,535,712	1,157,108
	<u>27,383,619</u>	<u>28,677,720</u>

5. Operating profit

The operating profit is stated after charging/(crediting):

	2017 £	2016 £
Depreciation of tangible fixed assets	83,485	91,376
Amortisation of intangible assets, including goodwill	16,622	19,561
Profit on sale of fixed assets	-	(6,285)
Fees payable to the group's auditor and its associates for the audit of the company's annual financial statements	18,000	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	6,000	5,000
- Taxation compliance services	2,500	2,500
- Accountancy services	3,000	4,000
Exchange differences	(99,432)	9,753
Other operating lease rentals	92,638	76,875
Defined contribution pension cost	<u>166,854</u>	<u>249,396</u>

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

6. Employees

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

	2017 £	2016 £
Wages and salaries	3,086,248	3,049,570
Social security costs	356,276	348,360
Cost of defined contribution scheme	166,854	249,396
	<u>3,609,378</u>	<u>3,647,326</u>

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

	2017 No.	2016 No.
Administration	10	11
Management	2	2
Operations	57	59
Sales	5	4
	<u>74</u>	<u>76</u>

7. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	643,407	588,400
Company contributions to defined contribution pension schemes	20,000	106,667
	<u>663,407</u>	<u>695,067</u>

During the year retirement benefits were accruing to 2 directors (2016: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £320,004 (2016: £304,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,000 (2016: £53,333).

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

8. Interest receivable

	2017 £	2016 £
Share of joint venture interest receivable	1,020	3,569
Other interest receivable	3,296	1,895
	<u>4,316</u>	<u>5,464</u>

9. Interest payable and similar charges

	2017 £	2016 £
Bank interest payable	-	169
Share of joint venture interest payable	-	22
	<u>-</u>	<u>191</u>

10. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	159,000	83,837
Adjustments in respect of previous periods	1,922	-
	<u>160,922</u>	<u>83,837</u>
Share of joint venture current tax	(424)	10,621
Total current tax	<u>160,498</u>	<u>94,458</u>
Deferred tax		
Origination and reversal of timing differences	959	(1,996)
Changes to tax rates	(9)	(4)
Adjustments in respect of previous periods	(1,750)	1,129
Total deferred tax	<u>(800)</u>	<u>(871)</u>
Taxation on profit on ordinary activities	<u>159,698</u>	<u>93,587</u>

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - *higher than*) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	727,844	402,539
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	145,569	80,508
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	3,324	3,913
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	5,920	9,170
Capital allowances for year in excess of depreciation	4,731	-
Adjustments to tax charge in respect of prior periods	(317)	137
Foreign tax	-	815
Adjustments in respect of joint ventures	(1,740)	704
Tax at different rates	831	(1,660)
Other adjustments	1,380	-
Total tax charge for the year	159,698	93,587

Factors that may affect future tax charges

The UK corporation tax rate is set to go down to 19% in 2017 and to 18% by 2020.

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 £262,091 (2016 - £231,901).

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

12. Intangible assets

Group

	Goodwill £
Cost	
At 1 April 2016	166,216
Disposals	(1,711)
At 31 March 2017	<u>164,505</u>
Amortisation	
At 1 April 2016	84,890
Charge for the year	16,622
At 31 March 2017	<u>101,512</u>
Net book value	
At 31 March 2017	<u><u>62,993</u></u>
At 31 March 2016	<u><u>81,326</u></u>

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 2017**

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 2016	934,416	195,192	137,029	554,063	1,820,700
Additions	-	11,378	10,476	28,276	50,130
Disposals	-	-	(1,750)	-	(1,750)
At 31 March 2017	934,416	206,570	145,755	582,339	1,869,080
Depreciation					
At 1 April 2016	213,249	26,884	108,452	483,361	831,946
Charge for the year on owned assets	18,359	21,935	10,911	32,280	83,485
At 31 March 2017	231,608	48,819	119,363	515,641	915,431
Net book value					
At 31 March 2017	702,808	157,751	26,392	66,698	953,649
At 31 March 2016	721,167	168,308	28,577	70,702	988,754

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

13. Tangible fixed assets (continued)

Company

	Freehold land and buildings £	Equipment, fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2016	934,416	114,575	530,883	1,579,874
Additions	-	7,657	21,081	28,738
At 31 March 2017	<u>934,416</u>	<u>122,232</u>	<u>551,964</u>	<u>1,608,612</u>
Depreciation				
At 1 April 2016	213,249	91,283	476,816	781,348
Charge for the year on owned assets	18,359	8,464	25,993	52,816
At 31 March 2017	<u>231,608</u>	<u>99,747</u>	<u>502,809</u>	<u>834,164</u>
Net book value				
At 31 March 2017	<u>702,808</u>	<u>22,485</u>	<u>49,155</u>	<u>774,448</u>
At 31 March 2016	<u>721,167</u>	<u>23,292</u>	<u>54,067</u>	<u>798,526</u>

The gross book value of freehold land and buildings for both the group and company includes £734,416 (2016: £734,416) of depreciable assets.

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

14. Fixed asset investments

Group

	Unlisted investments £	Investment in joint ventures £	Total £
Cost or valuation			
At 1 April 2016	240,000	410,354	650,354
Share of profit/(loss)	-	7,002	7,002
At 31 March 2017	240,000	417,356	657,356
Net book value			
At 31 March 2017	240,000	417,356	657,356
At 31 March 2016	240,000	410,354	650,354

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

14. Fixed asset investments (continued)

Company

	Investments in group companies £	Unlisted investments £	Loans to subsidiaries £	Total £
Cost or valuation				
At 1 April 2016	875,022	240,000	69,999	1,185,021
Amounts written off	(1,711)	-	-	(1,711)
At 31 March 2017	873,311	240,000	69,999	1,183,310
Impairment				
At 1 April 2016	303,021	-	-	303,021
At 31 March 2017	303,021	-	-	303,021
Net book value				
At 31 March 2017	570,290	240,000	69,999	880,289
At 31 March 2016	572,001	240,000	69,999	882,000

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

15. Subsidiary undertakings and joint ventures

The following were subsidiary undertakings of the company:

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

All subsidiaries are incorporated in England & Wales and are domiciled in England with the exception of Cargo Marketing Services LLC which is incorporated and domiciled in the USA.

Auto Box Logistics Limited is exempt from audit by virtue of s479A of the Companies Act 2006.

Joint venture

At the year end the company had a 50% holding in King International Shipping Services Limited, whose principal activity is that of property rental. On 1 April 2017 the company's holding was repurchased by King International Shipping Services Limited for consideration of £340,206.

At the balance sheet date the net assets of King International Shipping Services Limited were £835,312 (2016: £820,707) and the profit for the financial year after taxation was £14,605 (2016: £77,927).

The above information was extracted from the unaudited financial statements of King International Shipping Services Limited for the year ended 31 March 2017.

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

16. Debtors

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade debtors	4,209,753	3,636,194	3,451,511	3,081,964
Amounts owed by group undertakings	-	-	368,485	389,423
Amounts owed by joint ventures	613	10,000	613	10,000
Other debtors	403,773	207,712	192,472	166,345
Prepayments and accrued income	90,726	146,472	84,940	132,944
Deferred taxation	-	-	895	1,226
	4,704,865	4,000,378	4,098,916	3,781,902

17. Cash and cash equivalents

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	2,465,084	2,239,652	1,808,812	1,768,268

18. Creditors: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade creditors	3,040,395	2,753,515	2,489,780	2,318,631
Amounts owed to related party undertakings	-	29,596	-	29,596
Corporation tax	135,905	59,680	52,905	19,063
Other taxation and social security	124,780	122,175	116,198	114,996
Other creditors	71,504	136,124	61,125	120,701
Accruals and deferred income	830,936	787,994	706,863	754,206
	4,203,520	3,889,084	3,426,871	3,357,193

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

19. Deferred taxation

Group

	2017 £	2016 £
At beginning of year	(32,201)	(33,072)
Charged to profit or loss	800	871
At end of year	(31,401)	(32,201)

Company

	2017 £	2016 £
At beginning of year	1,226	1,840
Charged to profit or loss	(331)	(614)
At end of year	895	1,226

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Accelerated capital allowances	(35,386)	(36,186)	(3,090)	(2,759)
Pension surplus	3,985	3,985	3,985	3,985
	(31,401)	(32,201)	895	1,226

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

20. Financial instruments

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Financial assets				
Financial assets measured at fair value through profit or loss	2,705,084	2,479,652	2,048,812	2,008,268
Financial assets that are debt instruments measured at amortised cost	4,614,139	3,853,906	4,013,081	3,647,732
	<u>7,319,223</u>	<u>6,333,558</u>	<u>6,061,893</u>	<u>5,656,000</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(3,881,893)</u>	<u>(3,707,229)</u>	<u>(3,257,769)</u>	<u>(3,223,134)</u>

Financial assets measured at fair value through profit or loss comprise cash held at bank and in hand and unlisted investments.

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

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

21. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
450,900 Ordinary shares shares of £1 each	<u>450,900</u>	<u>450,900</u>

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

22. Reserves

Share premium account

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 (2016: £135,100) of non-distributable reserve which arose as a result of revaluations of freehold investment properties in the joint venture.

23. 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 £144,623 (2016: £142,730). Contributions totalling £13,344 (2016: £19,927) were payable to the fund at the balance sheet date and are included within creditors.

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

24. Commitments under operating leases

At 31 March 2017 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Land and buildings				
Not later than 1 year	95,340	56,446	78,900	40,000
Later than 1 year and not later than 5 years	223,000	73,856	195,600	30,000
	<u>318,340</u>	<u>130,302</u>	<u>274,500</u>	<u>70,000</u>
	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Other leases				
Not later than 1 year	53,571	55,283	49,213	55,283
Later than 1 year and not later than 5 years	41,448	87,948	41,448	87,948
	<u>95,019</u>	<u>143,231</u>	<u>90,661</u>	<u>143,231</u>

25. Related party transactions

Ultimate controlling entity

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

Related party transactions

During the year the group purchased services from King International Shipping Services Limited, a joint venture within the group, totalling £nil (2016: £513). In addition, the company received dividends of £nil (2016: £10,000) from King International Shipping Services Limited. At 31 March 2017 £613 was due to the group from King International Shipping Services Limited (2016: £10,000).

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 £322,855 (2016: £599,386). At 31 March 2017 £Nil was due to Cargo International Marketing Services Limited (2016: £29,596).

During the year key management personnel received remuneration, including pensions contributions, of £749,009 (2016: £762,326).