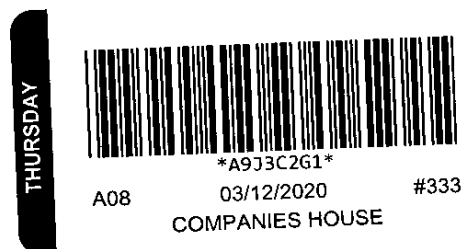


Registered number: 01416708

CARGO MARKETING SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020



CARGO MARKETING SERVICES LIMITED

COMPANY INFORMATION

DIRECTORS

T L Bennett
M R Frearson

COMPANY SECRETARY

T L Bennett

REGISTERED NUMBER

01416708

REGISTERED OFFICE

Ocean House
Marston Park
Tamworth
Staffordshire
B78 3HU

INDEPENDENT AUDITORS

Bishop Fleming LLP
Chartered Accountants & Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

CARGO MARKETING SERVICES LIMITED

CONTENTS

	Page
Group Strategic Report	1 - 2
Directors' Report	3 - 5
Independent Auditors' Report	6 - 8
Consolidated Statement of Comprehensive Income	9
Consolidated Statement of Financial Position	10
Company Statement of Financial Position	11
Consolidated Statement of Changes in Equity	12
Company Statement of Changes in Equity	13
Consolidated Statement of Cash Flows	14 - 15
Analysis of Net Debt	15
Notes to the Financial Statements	16 - 36

CARGO MARKETING SERVICES LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

The directors present their Group Strategic Report for the year ended 31 March 2020.

PRINCIPAL ACTIVITY

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

BUSINESS REVIEW

The integration of ICC into the CMS Group continued to be troublesome and in Quarter 2 the directors of our JV partner, Anglia Forwarding, offered to buy our 60% share enabling us to exit our ownership.

Anglia took over the management of ICC on 1 January 2020 and the shares were eventually sold in April 2020. The results of ICC have been shown as discontinued operations in these financial statements.

Away from ICC, the CMS Group of Companies maintained healthy trading with no major issues or growth reported.

The COVID-19 pandemic which broke in late March 2020 has not caused any downturn in profit for both CMS and MSL however Autobox will be hit hard in Q1 of 2020 – 2021 due to lockdown and all car showrooms being shut.

We have invested in ensuring all our offices are COVID safe and our IT systems allow our users to work remotely if required.

Although business has remained strong we have been able to analyse the impact of working from home during the spring lockdown and without doubt there was a significant negative effect on many important aspects of the smooth running of the business and was far from an ideal situation.

So it is proven that the office environment is important for our jobs and the future of the business.

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 retained profits, and its own cash reserves.

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

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

Because of the economic uncertainty resulting from the COVID-19 pandemic, ROE fluctuations may become a factor for the CMS group to consider going forward. Current procedures ensure that we do not hold large balances in foreign currency and this will be monitored more closely during these times.

Also, customer liquidity is a key concern and active monitoring and tighter credit control procedures will keep these risks to a minimum.

CARGO MARKETING SERVICES LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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.

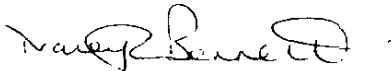
Group turnover increased by 4.2% from £33,289,367 to £34,671,854 during the year. Despite the increase in turnover, gross profit has reduced to £5,901,666 compared to £6,480,933 in the previous year. The group achieved a gross margin percentage this year at 17.0% compared to that of 19.5% in 2019.

The group has reported positive operating cash flows of £347,872 (2019: £74,706) and an overall increase in cash of £327,800 (2019: £93,752). The group continues to hold health cash reserves at the Balance Sheet date.

OTHER KEY PERFORMANCE INDICATORS

CMS group also actively looks at customer retention and fall off levels along with respective volumes. There have been no major shifts up or down during this financial year.

This report was approved by the board on 18 November 2020 and signed on its behalf.



T L Bennett
Director

CARGO MARKETING SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report and the financial statements for the year ended 31 March 2020.

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; 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 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 group profit for the year, after taxation and minority interests, amounted to £35,401 (2019: £285,944).

As noted in the Group Strategic Report, the decision was made in the year to dispose of the investment in International Cargo Centre Limited. ICC continued to be a subsidiary undertaking as at

The profit after tax arising from continuing operations of £474,812 (2019: £477,065) is after taking account of a share based payments charge, net of deferred tax, of £145,645 (2019: £Nil) as a result of the introduction of Enterprise Management Incentive (EMI) share option compensation scheme. Further details of this scheme can be found in note 23. If this charge was removed from the results the profit after tax for the year would have been £620,457, showing a 30% improvement on the previous year.

No dividends have been paid or proposed in the year (2019: £Nil).

CARGO MARKETING SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

GOING CONCERN

The directors have prepared budgets forecasts covering a period of at least 12 months following the date of approval of the financial statements. The group has a net asset value at 31 March 2020 of £5,457,336 (2019: £5,337,910) and continues to hold healthy cash reserves.

As part of this process the directors' assumptions and outlook have considered the impact and uncertainty that the COVID-19 pandemic may have on the business. This is being monitored on a daily basis. The directors have worked closely with Senior Managers and Departmental Managers to ensure a smooth and well communicate journey through the COVID-19 pandemic. As our business is classified by the Government as part of the key sector business we were able to remain open for business throughout the Spring lockdown with 80% of staff working from home. We furloughed only 20% of staff and at the date of the approval of these financial statements we have no staff members on furlough.

With us having very good cash reserves the directors anticipated that the Lockdown may have eroded reserves but fortunately this did not happen as our business remained buoyant and profitable. Our focus was also centred on reviewing our clients credit terms as we could not be sure of some of their ability to withstand a sustained period of possible loss and in some cases that resulted in the removal of a credit facility to some companies. These reviews have resulted in no bad debts to date and our cash levels are at the best level known.

In light of the forecasts prepared, the directors remain confident that the forecast is achievable, despite external factors such as COVID-19, and that the headroom within the forecast is sufficient to enable the company to operate and meet its liabilities as they fall due for at least the next 12 months. The directors therefore consider it is appropriate for the going concern basis to be used as the basis of the preparation of the financial statements.

DIRECTORS

The directors who served during the year were:

T L Bennett
M R Frearson

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.

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

Subsequent to the year end the company sold its shareholding in International Cargo Centre Limited for consideration of £1.

CARGO MARKETING SERVICES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

AUDITORS

During the year BDO LLP resigned as auditor and the directors have appointed Bishop Fleming LLP as auditor in their place. Bishop Fleming LLP has indicated its willingness to continue in office.

This report was approved by the board and signed on its behalf.



T L Bennett
Director

Date: 18 November 2020

Ocean House
Marston Park
Tamworth
Staffordshire
B78 3HU

CARGO MARKETING SERVICES LIMITED

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

OPINION

We have audited the financial statements of Cargo Marketing Services Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2020 and of the group's 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.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

CARGO MARKETING SERVICES LIMITED

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS 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 the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

RESPONSIBILITIES OF DIRECTORS

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

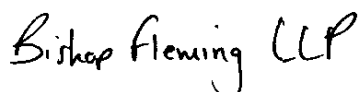
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

CARGO MARKETING SERVICES LIMITED

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

USE OF OUR REPORT

This report is made solely to the company's members 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 for our audit work, for this report, or for the opinions we have formed.



Ryan Southall FCCA (Senior statutory auditor)
for and on behalf of

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB
Date: 18 November 2020

CARGO MARKETING SERVICES LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	Continuing operations 2020 £	Discontin'd operations 2020 £	Total 2020 £	Continuing operations 2019 £	Discontin'd operations 2019 £	Total 2019 £
Turnover	4	34,030,470	641,384	34,671,854	32,586,626	702,741	33,289,367
Cost of sales		(27,974,587)	(795,601)	(28,770,188)	(26,137,977)	(670,457)	(26,808,434)
GROSS PROFIT		6,055,883	(154,217)	5,901,666	6,448,649	32,284	6,480,933
Administrative expenses		(5,548,537)	(380,978)	(5,929,515)	(5,841,524)	(313,973)	(6,155,497)
Other operating income		708	-	708	-	-	-
OPERATING (LOSS)/PRO FIT	6	508,054	(535,195)	(27,141)	607,125	(281,689)	325,436
Interest receivable and similar income	9	17,716	-	17,716	21,465	-	21,465
Interest payable and expenses	10	(140)	-	(140)	-	-	-
(LOSS)/PROFI T BEFORE TAXATION		525,630	(535,195)	(9,565)	628,590	(281,689)	346,901
Tax on (loss)/profit	11	(50,818)	-	(50,818)	(151,525)	(337)	(151,862)
(LOSS)/PROFI T FOR THE FINANCIAL YEAR		474,812	(535,195)	(60,383)	477,065	(282,026)	195,039
(LOSS)/PROFI T FOR THE YEAR ATTRIBUTA BLE TO:							
Non-controlling interests		31,374	(127,158)	(95,784)	21,906	(112,811)	(90,905)
Owners of the parent company		443,438	(408,037)	35,401	455,159	(169,215)	285,944
		474,812	(535,195)	(60,383)	477,065	(282,026)	195,039

There was no other comprehensive income for 2020 (2019: £Nil).

The notes on pages 16 to 36 form part of these financial statements.

CARGO MARKETING SERVICES LIMITED
REGISTERED NUMBER:01416708

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 £	2020 £	2019 £	2019 £
FIXED ASSETS					
Intangible assets	12		36,524		45,347
Tangible assets	13		1,060,925		1,132,980
Investments	14		240,000		240,000
			<u>1,337,449</u>		<u>1,418,327</u>
CURRENT ASSETS					
Stocks	15	2,849		5,182	
Debtors: amounts falling due within one year	16	5,929,104		6,164,182	
Cash at bank and in hand	17	3,246,930		2,919,130	
		<u>9,178,883</u>		<u>9,088,494</u>	
Creditors: amounts falling due within one year	18	(5,040,519)		(5,118,979)	
NET CURRENT ASSETS			<u>4,138,364</u>		<u>3,969,515</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,475,813</u>		<u>5,387,842</u>
PROVISIONS FOR LIABILITIES					
Deferred taxation	20		(18,477)		(49,932)
NET ASSETS			<u>5,457,336</u>		<u>5,337,910</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
Other reserves	22		179,809		-
Profit and loss account	22		4,683,012		4,647,611
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY			<u>5,400,312</u>		<u>5,185,102</u>
Non-controlling interests			57,024		152,808
			<u>5,457,336</u>		<u>5,337,910</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


M R Frearson
 Director


T L Bennett
 Director

Date: 18 November 2020

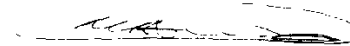
The notes on pages 16 to 36 form part of these financial statements.

CARGO MARKETING SERVICES LIMITED
REGISTERED NUMBER:01416708

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 £	2020 £	2019 £	2019 £
FIXED ASSETS					
Tangible assets	13		771,086		817,782
Investments	14		473,290		543,289
			<u>1,244,376</u>		<u>1,361,071</u>
CURRENT ASSETS					
Debtors: amounts falling due within one year	16	5,132,222		4,872,904	
Cash at bank and in hand	17	2,226,540		2,066,852	
		<u>7,358,762</u>		<u>6,939,756</u>	
Creditors: amounts falling due within one year	18	(3,793,835)		(3,654,300)	
NET CURRENT ASSETS		<u>3,564,927</u>		<u>3,285,456</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,809,303</u>		<u>4,646,527</u>
PROVISIONS FOR LIABILITIES					
Deferred taxation	20		-		(11,277)
NET ASSETS			<u>4,809,303</u>		<u>4,635,250</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
Other reserves	22		179,809		-
Profit and loss account brought forward		4,098,259		4,046,717	
Loss/(profit) for the year		(5,756)		51,542	
		<u>4,092,503</u>		<u>4,098,259</u>	
Profit and loss account carried forward			<u>4,809,303</u>		<u>4,635,250</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


M R Frearson
 Director


T L Bennett
 Director

Date: 18 November 2020

The notes on pages 16 to 36 form part of these financial statements.

CARGO MARKETING SERVICES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Called up share capital £	Share premium account £	Capital redemption reserve £	Other reserves £	Profit and loss account £	Equity attributable to owners of parent company £	Non- controlling interests £	Total equity £
At 1 April 2018	450,900	85,991	600	-	4,361,667	4,899,158	192,357	5,091,515
COMPREHENSIVE INCOME FOR THE YEAR								
Profit for the year	-	-	-	-	285,944	285,944	(90,905)	195,039
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	-	285,944	285,944	(90,905)	195,039
Non controlling interest arising on acquisition	-	-	-	-	-	-	51,356	51,356
At 1 April 2019	450,900	85,991	600	-	4,647,611	5,185,102	152,808	5,337,910
COMPREHENSIVE INCOME FOR THE YEAR								
Loss for the year	-	-	-	-	35,401	35,401	(95,784)	(60,383)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	-	35,401	35,401	(95,784)	(60,383)
Transfer to/from profit and loss account	-	-	-	179,809	-	179,809	-	179,809
AT 31 MARCH 2020	450,900	85,991	600	179,809	4,683,012	5,400,312	57,024	5,457,336

The notes on pages 16 to 36 form part of these financial statements.

CARGO MARKETING SERVICES LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Called up share capital £	Share premium account £	Capital redemption reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 April 2018	450,900	85,991	100	-	4,046,717	4,583,708
COMPREHENSIVE INCOME FOR THE YEAR						
Profit for the year	-	-	-	-	51,542	51,542
TOTAL COMPREHENSIVE INCOME FOR THE YEAR					51,542	51,542
At 1 April 2019	450,900	85,991	100	-	4,098,259	4,635,250
COMPREHENSIVE INCOME FOR THE YEAR						
Loss for the year	-	-	-	-	(5,756)	(5,756)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR					(5,756)	(5,756)
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS						
Share based payments charge	-	-	-	179,809	-	179,809
AT 31 MARCH 2020	450,900	85,991	100	179,809	4,092,503	4,809,303

The notes on pages 16 to 36 form part of these financial statements.

CARGO MARKETING SERVICES LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	(60,383)	195,039
ADJUSTMENTS FOR:		
Amortisation of intangible assets	8,823	16,789
Depreciation of tangible assets	115,282	122,075
Profit on disposal of tangible assets	(4,871)	(243)
Share based payments charge	179,809	-
Government grants	(708)	-
Interest paid	140	-
Interest received	(17,716)	(21,465)
Taxation charge	50,818	151,862
Decrease/(increase) in stocks	2,333	(4,020)
Decrease in debtors	235,078	667,110
(Decrease) in creditors	(90,531)	(1,066,872)
(Decrease)/increase in amounts owed to participating interests	30,688	159,002
Corporation tax paid	(100,890)	(144,571)
NET CASH GENERATED FROM OPERATING ACTIVITIES	347,872	74,706
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(70,207)	(121,620)
Sale of tangible fixed assets	31,851	164,487
Government grants received	708	-
Net cash outflow on acquisition of subsidiary	-	(45,286)
Interest received	17,716	21,465
NET CASH FROM INVESTING ACTIVITIES	(19,932)	19,046
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(140)	-
NET CASH USED IN FINANCING ACTIVITIES	(140)	-

CARGO MARKETING SERVICES LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

	2020 £	2019 £
INCREASE IN CASH AND CASH EQUIVALENTS	327,800	93,752
Cash and cash equivalents at beginning of year	2,919,130	2,825,378
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	3,246,930	2,919,130
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	3,246,930	2,919,130
	3,246,930	2,919,130

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2020**

	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	2,919,130	327,800	3,246,930
	2,919,130	327,800	3,246,930

The notes on pages 16 to 36 form part of these financial statements.

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. GENERAL INFORMATION

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

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 presentational 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 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 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.

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.

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. ACCOUNTING POLICIES (continued)

2.3 GOING CONCERN

The directors have prepared budgets forecasts covering a period of at least 12 months following the date of approval of the financial statements. The group has a net asset value at 31 March 2020 of £5,457,336 (2019: £5,337,910) and continues to hold healthy cash reserves.

As part of this process the directors' assumptions and outlook have considered the impact and uncertainty that the COVID-19 pandemic may have on the business. This is being monitored on a daily basis. The directors have worked closely with Senior Managers and Departmental Managers to ensure a smooth and well communicate journey through the COVID-19 pandemic. As the business is classified by the Government as part of the key sector business the directors were able to continue business operations and remain open for business throughout the Spring lockdown with 80% of staff working from home. The directors made use of the government's Coronavirus Job Retention Scheme in the initial lockdown period, furloughing only 20% of staff however at the date of the approval of these financial statements there are no staff members on furlough.

The group continues to have healthy cash reserves, which have not been eroded through the recent Lockdown. The directors feel that overall business remained buoyant and profitable through this period.

In light of the forecasts prepared, the directors remain confident that the forecast is achievable, despite external factors such as COVID-19, and that the headroom within the forecast is sufficient to enable the company to operate and meet its liabilities as they fall due for at least the next 12 months. The directors therefore consider it is appropriate for the going concern basis to be used as the basis of the preparation of the financial statements.

2.4 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 profit or loss 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.

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. ACCOUNTING POLICIES (continued)

2.5 TURNOVER

The turnover shown in the Consolidated Statement of Comprehensive Income 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.

2.6 OPERATING LEASES: THE GROUP AS LESSEE

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.8 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

2.9 FINANCE COSTS

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. 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 2020

2. ACCOUNTING POLICIES (continued)

2.11 SHARE BASED PAYMENTS

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2.12 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 reporting 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 Statement of Financial Position 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 reporting date.

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. ACCOUNTING POLICIES (continued)

2.13 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 Consolidated statement of comprehensive income over its useful economic life.

OTHER INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	10	years
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2.14 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 buildings	- 2.5% straight line basis
Plant and machinery	- 10% straight line basis
Motor vehicles	- 25% 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 profit or loss.

2.15 VALUATION OF INVESTMENTS

Investments held as fixed assets are shown at fair value.

Investments in subsidiaries are measured at cost less accumulated impairment.

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. ACCOUNTING POLICIES (continued)

2.16 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.17 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.

2.18 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.

A company Statement of Cash Flows has not been presented in these financial statements on the basis that the Consolidated Statement of Cash Flows includes this information.

2.19 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.

2.20 HOLIDAY PAY ACCRUAL

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

2.21 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. ACCOUNTING POLICIES (continued)

2.22 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 Consolidated Statement of Comprehensive Income.

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.

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, none are considered to be critical or key estimates.

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:

	2020 £	2019 £
United Kingdom	31,576,117	29,408,148
Rest of Europe	1,741,030	3,423,188
Rest of the World	1,354,707	458,031
	34,671,854	33,289,367

CARGO MARKETING SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020****5. OTHER OPERATING INCOME**

	2020 £	2019 £
Government grants receivable	<u>708</u>	<u>-</u>

6. OPERATING (LOSS)/PROFIT

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

	2020 £	2019 £
Depreciation of tangible fixed assets	115,282	122,075
Amortisation of intangible assets, including goodwill	8,823	16,789
(Profit)/Loss on disposal of fixed assets	(4,871)	(243)
Fees payable to the group's auditor for the audit of the company's annual financial statements	23,350	25,000
Fees payable to the group's auditors for other services to the group:		
- The audit of the group's subsidiaries pursuant to legislation	10,650	13,000
- Taxation compliance services	3,550	4,250
- Accountancy services	-	3,500
Foreign exchange (gain)/loss	17,981	(39,740)
Operating lease costs - land and buildings	73,900	233,553
Operating lease costs - other	132,973	10,649
Defined contribution pension cost	<u>193,655</u>	<u>189,077</u>

CARGO MARKETING SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020****7. EMPLOYEES**

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

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	4,258,577	4,084,065	3,237,822	3,152,087
Social security costs	454,881	452,555	341,552	349,076
Cost of defined contribution scheme	193,655	189,077	176,814	175,252
Share based payments charge	179,809	-	179,809	-
	<u>5,086,922</u>	<u>4,725,697</u>	<u>3,935,997</u>	<u>3,676,415</u>

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

	Group 2020 No.	Group 2019 No.	Company 2020 No.	Company 2019 No.
Administration	11	11	9	8
Management	2	2	2	2
Operations	83	64	51	52
Sales	5	5	5	5
	<u>101</u>	<u>82</u>	<u>67</u>	<u>67</u>

8. DIRECTORS' REMUNERATION

	2020 £	2019 £
Directors' emoluments	874,870	880,456
Company contributions to defined contribution pension schemes	20,000	20,000
Share based payments charge	179,809	-
	<u>1,074,679</u>	<u>900,456</u>

During the year retirement benefits were accruing to 2 directors (2019: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £404,556 (2019: £460,350).

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 (2019: £10,000).

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

9. INTEREST RECEIVABLE

	2020 £	2019 £
Other interest receivable	<u>17,716</u>	<u>21,465</u>

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020 £	2019 £
Bank interest payable	<u>140</u>	<u>-</u>

11. TAXATION

	2020 £	2019 £
CORPORATION TAX		
Current tax on profits for the year	106,383	125,000
Adjustments in respect of previous periods	(24,110)	19,372
TOTAL CURRENT TAX	<u>82,273</u>	<u>144,372</u>
DEFERRED TAX		
Origination and reversal of timing differences	(31,455)	8,441
Changes to tax rates	-	(951)
TOTAL DEFERRED TAX	<u>(31,455)</u>	<u>7,490</u>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>50,818</u>	<u>151,862</u>

CARGO MARKETING SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020****11. TAXATION (CONTINUED)****FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
(Loss)/profit on ordinary activities before tax	(9,565)	346,901
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(1,817)	65,911
EFFECTS OF:		
Non-tax deductible amortisation of goodwill and impairment	1,676	3,190
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	8,036	5,541
Depreciation of ineligible assets	3,490	3,491
Adjustments to tax charge in respect of prior periods	(25,871)	19,624
Unrelieved tax losses carried forward	60,400	54,982
Changes in tax rates	4,501	(951)
Tax at different rates	-	(986)
Other adjustments	403	1,060
TOTAL TAX CHARGE FOR THE YEAR	50,818	151,862

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Since its acquisition on 1 June 2018 International Cargo Centre Limited has generated tax losses of £349,784 (2019: £289,384) that are available for use against future taxable profits. No deferred tax asset has been provided in respect of these losses.

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

12. INTANGIBLE ASSETS

Group

	Goodwill £
COST	
At 1 April 2019	96,196
At 31 March 2020	<u>96,196</u>
AMORTISATION	
At 1 April 2019	50,849
Charge for the year on owned assets	8,823
At 31 March 2020	<u>59,672</u>
NET BOOK VALUE	
At 31 March 2020	<u>36,524</u>
At 31 March 2019	<u>45,347</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 2020**

13. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
COST OR VALUATION						
At 1 April 2019	935,417	520,280	51,245	181,381	360,984	2,049,307
Additions	-	45,213	2,000	7,662	15,332	70,207
Disposals	-	(97,952)	-	-	-	(97,952)
At 31 March 2020	935,417	467,541	53,245	189,043	376,316	2,021,562
DEPRECIATION						
At 1 April 2019	268,345	248,653	13,130	108,547	277,652	916,327
Charge for the year on owned assets	18,372	36,573	14,296	20,163	25,878	115,282
Disposals	-	(70,972)	-	-	-	(70,972)
At 31 March 2020	286,717	214,254	27,426	128,710	303,530	960,637
NET BOOK VALUE						
At 31 March 2020	648,700	253,287	25,819	60,333	72,786	1,060,925
At 31 March 2019	667,072	271,627	38,115	72,834	83,332	1,132,980

Included within freehold land and buildings is freehold land of £200,000 (2019: £200,000) which is not depreciated.

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

13. TANGIBLE FIXED ASSETS (CONTINUED)

The net book value of land and buildings may be further analysed as follows:

	2020 £	2019 £			
Freehold	648,700	667,072			
Company					
	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
COST OR VALUATION					
At 1 April 2019	935,417	51,245	135,607	305,201	1,427,470
Additions	-	2,000	515	13,954	16,469
At 31 March 2020	935,417	53,245	136,122	319,155	1,443,939
DEPRECIATION					
At 1 April 2019	268,345	13,130	79,280	248,933	609,688
Charge for the year on owned assets	18,372	14,296	13,861	16,636	63,165
At 31 March 2020	286,717	27,426	93,141	265,569	672,853
NET BOOK VALUE					
At 31 March 2020	648,700	25,819	42,981	53,586	771,086
At 31 March 2019	667,072	38,115	56,327	56,268	817,782

Included within freehold land and buildings is freehold land of £200,000 (2019: £200,000) which is not depreciated.

The net book value of land and buildings may be further analysed as follows:

	2020 £	2019 £
Freehold	<u>648,700</u>	<u>667,072</u>

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

14. FIXED ASSET INVESTMENTS

Group

	Unlisted investments £
COST OR VALUATION	
At 1 April 2019	240,000
At 31 March 2020	<u>240,000</u>
NET BOOK VALUE	
At 31 March 2020	<u>240,000</u>
At 31 March 2019	<u>240,000</u>

Company

	Investments in subsidiary companies £	Unlisted investments £	Loans to subsidiaries £	Total £
COST OR VALUATION				
At 1 April 2019	318,290	240,000	249,999	808,289
Additions	-	-	90,000	90,000
Amounts repaid	-	-	(69,999)	(69,999)
At 31 March 2020	<u>318,290</u>	<u>240,000</u>	<u>270,000</u>	<u>828,290</u>
IMPAIRMENT				
At 1 April 2019	85,000	-	180,000	265,000
Charge for the period	-	-	90,000	90,000
At 31 March 2020	<u>85,000</u>	<u>-</u>	<u>270,000</u>	<u>355,000</u>
NET BOOK VALUE				
At 31 March 2020	<u>233,290</u>	<u>240,000</u>	<u>-</u>	<u>473,290</u>
At 31 March 2019	<u>233,290</u>	<u>240,000</u>	<u>69,999</u>	<u>543,289</u>

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

14. FIXED ASSET INVESTMENTS (CONTINUED)

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
Auto Box Logistics Limited*	Provision of freight forwarding services	Ordinary	100%
Maritime Service Line UK Limited	Provision of freight forwarding services	Ordinary	75%
Cargo Marketing (London) Limited	Dormant	Ordinary	100%
Cargotrans Limited	Dormant	Ordinary	100%
North Star Cargo Services Limited	Dormant	Ordinary	100%
International Cargo Centre Limited	Warehouse operators	Ordinary	60%

The registered office for all of the above entities is Ocean House, Marston Park, Tamworth, Staffordshire, B78 3HU.

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

15. STOCKS

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Finished goods and goods for resale	2,849	5,182	-	-

16. DEBTORS

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	5,205,863	5,469,387	4,095,648	3,878,763
Amounts owed by group undertakings	-	-	395,543	674,141
Other debtors	506,261	515,089	458,709	192,221
Director's loan accounts	3,808	23,833	3,808	23,833
Prepayments and accrued income	213,172	155,873	153,446	103,946
Deferred taxation	-	-	25,068	-
	5,929,104	6,164,182	5,132,222	4,872,904

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

17. CASH AND CASH EQUIVALENTS

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	<u>3,246,930</u>	<u>2,919,130</u>	<u>2,226,540</u>	<u>2,066,852</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade creditors	4,016,599	3,675,754	3,131,883	2,774,745
Amounts owed to group undertakings	-	-	58,005	37,520
Amounts owed to other participating interests	189,690	159,002	-	-
Corporation tax	106,383	125,000	64,356	79,000
Other taxation and social security	145,072	155,119	112,556	117,020
Other creditors	117,355	131,922	104,145	100,756
Accruals and deferred income	465,420	872,182	322,890	545,259
	<u>5,040,519</u>	<u>5,118,979</u>	<u>3,793,835</u>	<u>3,654,300</u>

19. FINANCIAL INSTRUMENTS

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
FINANCIAL ASSETS				
Financial assets measured at fair value through profit or loss	3,486,930	3,159,130	2,699,830	2,306,852
Financial assets that are debt instruments measured at amortised cost	5,715,932	5,548,211	4,951,284	4,621,722
	<u>9,202,862</u>	<u>8,707,341</u>	<u>7,651,114</u>	<u>6,928,574</u>

FINANCIAL LIABILITIES

Financial liabilities measured at amortised cost	<u>(4,791,488)</u>	<u>(4,837,579)</u>	<u>(3,616,923)</u>	<u>(3,458,280)</u>
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Financial assets measured at fair value through profit or loss comprise cash at bank and unlisted investments.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts owed by group undertakings, other debtors and director's loan accounts.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed by group undertakings, amounts owed by participating interests, other creditors and accruals.

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

20. DEFERRED TAXATION

Group

	2020 £	2019 £
At beginning of year	(49,932)	(33,410)
Charged to profit or loss	31,455	(7,490)
Arising on business combinations	-	(9,032)
AT END OF YEAR	(18,477)	(49,932)

Company

	2020 £	2019 £
At beginning of year	(11,277)	(1,861)
Charged to profit or loss	36,345	(9,416)
AT END OF YEAR	25,068	(11,277)

The provision for deferred taxation is made up as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Accelerated capital allowances	(52,641)	(52,110)	(9,096)	(13,455)
Short term timing differences	-	2,178	-	2,178
Timing differences relation to share based payments	34,164	-	34,164	-
	(18,477)	(49,932)	25,068	(11,277)

21. SHARE CAPITAL

	2020 £	2019 £
ALLOTTED, CALLED UP AND FULLY PAID		
450,900 (2019:450,900) Ordinary shares of £1.00 each	450,900	450,900

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

22. RESERVES

Share premium account

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

Capital redemption reserve

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

Other reserves

Other reserves relate to amounts reflecting the cost reserved for share options issued.

Profit and loss account

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

23. SHARE BASED PAYMENTS

During the year the company introduced an Enterprise Management Incentive (EMI) share option compensation scheme. Employees under the scheme were granted a maximum number of options which are exercisable on a sale or any other such event which is considered to be an "exit event". The options are over Ordinary shares.

On 15 October 2019, 45,090 share options were granted which carry an exercise price of £Nil.

The binomial option pricing model has been used to determine the fair value of the share options at the grant date. The following assumptions were used in arriving at the fair value of the share options at the grant date:

The volatility assumption has been capped at 60% based on the directors' comparison of similar entities.

The average expected term to exercise used in the models is based on management's best estimate of the effects of non-transferability, exercise restrictions and behavioural conditions, forfeiture and historical experience.

A 0% expected dividend growth rate has been assumed based on historic experience.

The risk free rate has been determined from market yields for government gilts with outstanding terms equal to the average expected term to exercise.

A share based payments charge of £179,809 (2019: £Nil) has been recognised during the year within administrative expenses.

24. PENSION COMMITMENTS

The group 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 group to the fund and amounted to £193,655 (2019: £189,077). Contributions totalling £17,613 (2019: £15,629) 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 2020**

25. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2020 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Land and buildings				
Not later than 1 year	73,900	240,860	73,900	73,900
Later than 1 year and not later than 5 years	65,433	333,300	65,433	138,300
	139,333	574,160	139,333	212,200
	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Other leases				
Not later than 1 year	123,099	68,850	66,530	37,964
Later than 1 year and not later than 5 years	74,667	81,739	32,994	33,429
	197,766	150,589	99,524	71,393

26. TRANSACTIONS WITH DIRECTORS

During the period the following balances were owed to the company and the group by the directors:

	Mr M R Frearson £	Mrs T L Bennett £
Opening balance	7,785	16,048
Repayments	(10,339)	(12,240)
Settlement of personal liabilities	1,970	-
Closing balance	(584)	3,808

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

27. RELATED PARTY TRANSACTIONS

Ultimate controlling entity

The group is controlled by Mr D G Horwell who owns 84.44% (2019: 84.44%) of the issued share capital of the parent company, Cargo Marketing Services Limited.

Related party transactions

During the year Cargo Marketing Services Limited sold services totalling £229,162 (2019: £188,637) and purchased services totalling £350 (2019: £4,254) from Maritime Service Line UK Limited, a subsidiary undertaking. As at 31 March 2020 the company was owed £21,546 (2019: £12,854) from Maritime Service Line UK Limited.

During the year Cargo Marketing Services Limited sold services totalling £43,280 (10 months to 31 March 2019: £27,795) and purchased services totalling £260,581 (10 months to 31 March 2019: £226,509) from International Cargo Centre Limited. In the previous year the company loaned £180,000 to International Cargo Centre Limited, which has been subsequently written off. No interest was charged on this balance. As at 31 March 2020 the company owed £48,787 (2019: £37,520) to International Cargo Centre Limited.

All transactions with group companies are conducted at arms length on normal commercial terms.

The company has taken advantage of the exemption available in FRS 102 section 33.1A from disclosing transactions with other wholly owned subsidiaries 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 £595,876 (2019: £529,798). At the year end the company was owed £206,138 (2019: £1,660) from Mr D G Horwell. The balance is repayable on demand and included within other debtors. No interest is charged on this balance.

During the year key management personnel received remuneration, including pensions contributions, of £981,115 (2019: £998,458).

28. POST BALANCE SHEET EVENTS

Subsequent to the year end, on 30 April 2020, the company sold its shareholding in International Cargo Centre Limited for consideration of £1. The results of ICC have been shown as discontinued operations in these financial statements.