

CARGO MARKETING SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021



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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

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CARGO MARKETING SERVICES LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their Group Strategic Report for the year ended 31 March 2021.

PRINCIPAL ACTIVITY

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

BUSINESS REVIEW

The group has without doubt exceeded all expectations for financial year 2020/21.

The measures we put in place to deal with COVID-19 proved to launch us to a very strong sales position within our Industry. We invested very early to ensure all our offices were COVID safe and were therefore able to get most of our staff back into the workplace which meant our service levels were unrivalled which has led to a significant increase in business.

Because of the strains and pressure that the pandemic has caused to the global logistical framework, such as lack of containers, reduced vessel capacity due to Carriers taking ships out of service, no hauliers due to drivers finding alternative employment, the industry has seen record increases in freight costs.

This has led to an increase in turnover but also a climate of desperation from Shippers and Consignees to get their goods on board at any cost. Therefore, we have seen a significant increase in profit margins which is polarised from the usual squeeze on profitability for the services we offer.

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.

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 2.5% (2020: 4.2% increase) from £34,671,854 to £33,801,622 during the year. Despite the decrease in turnover, gross profit has increased to £7,134,610 compared to £5,901,666 in the previous year. The group achieved a gross margin percentage this year at 21.1% compared to that of 17.0% in 2020.

The group has reported positive operating cash flows of £1,658,231 (2020: £347,872) and an overall increase in cash of £1,645,705 (2020: £327,800). The group continues to hold health cash reserves at the Balance Sheet date.

CARGO MARKETING SERVICES LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

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 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'T L Bennett', written over a horizontal line.

T L Bennett
Director

Date: 24-9-2021

CARGO MARKETING SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

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 profit for the year, after taxation and minority interests, amounted to £505,574 (2020: £35,401).

The profit after tax arising from continuing operations of £530,978 (2020: £474,812) is after taking account of a share based payments charge, net of deferred tax, of £327,702 (2020: £145,645) as a result of the introduction of Enterprise Management Incentive (EMI) share option compensation scheme in the prior year. Further details of this scheme can be found in note 23.

No dividends have been paid or proposed in the year (2020: £Nil).

CARGO MARKETING SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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 2021 of £6,581,317 (2020: £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. The directors made use of the government's Coronavirus Job Retention Scheme during the 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 pandemic. The directors feel that overall business remained buoyant and profitable through this period.

The first Quarter of FY 20/22 has continued with record profits due to the strong sales, operating and customer service procedures of the business. The logistics industry continues to face extreme challenges never seen before and we can navigate well to offer our clients the solutions they need and the margins that we are able to achieve because of our standing with our sector continue to be large.

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 have highlighted I.T and operating systems as key areas of focus to ensure the group is able to keep in line with an ever changing industry. 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

There are no post balance sheet events.

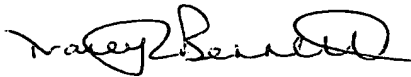
CARGO MARKETING SERVICES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

AUDITORS

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

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



T L Bennett
Director

Date: 24-9-2021

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 2021, 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 2021 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.

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

We have nothing to report in this regard.

CARGO MARKETING SERVICES LIMITED

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

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 set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Our procedures surrounding the identification and assessment of risks of material misstatement in relation to irregularities, including fraud and non-compliance with laws and regulations, included the following:

- considering the nature of the group and parent company and its environment, internal control environment, and business performance;
- considering the results of our enquiries of management about their own identification and assessment of the risk of irregularities;
- obtaining and reviewing, for any matters identified, the group's documentation of their policies and procedures relating to:
 - the identification, evaluation, and compliance with laws and regulations, and whether management were aware of any instances of non-compliance within the year;
 - the detection and response to the risk of fraud, and whether management have knowledge of actual, suspected, or alleged fraud; and
 - the internal controls established to mitigate the risks of fraud or non-compliance with laws and regulations.
- discussing amongst the audit engagement team, including internal tax specialists, regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the completeness of revenue recognition and management override of controls. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to these identified risks.

We also obtained an understanding of the legal and regulatory frameworks that the group and the parent company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group and parent company's ability to operate or to avoid a material penalty. These included data protection regulations, health and safety regulations, and employment legislation.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of management concerning actual and potential litigation claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement or fraud;
- reading minutes of board meetings throughout the year;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

CARGO MARKETING SERVICES LIMITED

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Potential fraud in relation to COVID-19 related government schemes, for example the furlough scheme (Coronavirus Job Retention Scheme), was considered and tested to supporting documentation to assess compliance with the relevant conditions of the schemes.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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.

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.

Bishop Fleming LLP

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: 27 September 2021

CARGO MARKETING SERVICES LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Continuing operations 2021 £	Discontin'd operations 2021 £	Total 2021 £	Continuing operations 2020 £	Discontin'd operations 2020 £	Total 2020 £
Turnover	4	33,801,622	-	33,801,622	34,030,470	641,384	34,671,854
Cost of sales		(26,667,012)	-	(26,667,012)	(27,974,587)	(795,601)	(28,770,188)
GROSS PROFIT		7,134,610	-	7,134,610	6,055,883	(154,217)	5,901,666
Administrative expenses		(6,659,244)	-	(6,659,244)	(5,548,537)	(380,978)	(5,929,515)
Other operating income	5	162,142	-	162,142	708	-	708
OPERATING PROFIT/(LOSS)	6	637,508	-	637,508	508,054	(535,195)	(27,141)
Amounts written off investments		12,919	-	12,919	-	-	-
Interest receivable and similar income	9	6,562	-	6,562	17,716	-	17,716
Interest payable and similar expenses	10	42	-	42	(140)	-	(140)
PROFIT/(LOSS) BEFORE TAXATION		657,031	-	657,031	525,630	(535,195)	(9,565)
Tax on profit/(loss)	11	(126,233)	-	(126,233)	(50,818)	-	(50,818)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		530,798	-	530,798	474,812	(535,195)	(60,383)
PROFIT/(LOS S) FOR THE YEAR ATTRIBUTABLE TO:							
Non-controlling interests		25,224	-	25,224	17,027	(112,811)	(95,784)
Owners of the parent company		505,574	-	505,574	204,616	(169,215)	35,401
		530,798	-	530,798	221,643	(282,026)	(60,383)

There was no other comprehensive income for 2021 (2020: £Nil).

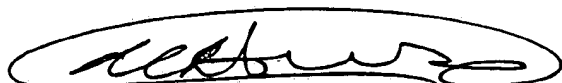
The notes on pages 17 to 38 form part of these financial statements.

CARGO MARKETING SERVICES LIMITED
REGISTERED NUMBER:01416708

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Intangible assets	12		27,701		36,524
Tangible assets	13		967,083		1,060,925
Investments	14		240,000		240,000
			<u>1,234,784</u>		<u>1,337,449</u>
CURRENT ASSETS					
Stocks	15	-		2,849	
Debtors: amounts falling due within one year	16	5,620,935		5,929,104	
Cash at bank and in hand	17	4,892,635		3,246,930	
			<u>10,513,570</u>	<u>9,178,883</u>	
Creditors: amounts falling due within one year	18	(5,167,037)		(5,040,519)	
NET CURRENT ASSETS			<u>5,346,533</u>		<u>4,138,364</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,581,317</u>		<u>5,475,813</u>
PROVISIONS FOR LIABILITIES					
Deferred taxation	20		-		(18,477)
NET ASSETS			<u><u>6,581,317</u></u>		<u><u>5,457,336</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
Other reserves	22		584,379		179,809
Profit and loss account	22		5,188,586		4,683,012
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY			<u>6,310,456</u>		<u>5,400,312</u>
Non-controlling interests			270,861		57,024
			<u><u>6,581,317</u></u>		<u><u>5,457,336</u></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: 24.09.21

Date: 24-9-2021

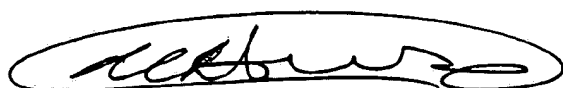
The notes on pages 17 to 38 form part of these financial statements.

CARGO MARKETING SERVICES LIMITED
REGISTERED NUMBER:01416708

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Tangible assets	13		734,575		771,086
Investments	14		473,290		473,290
			<u>1,207,865</u>		<u>1,244,376</u>
CURRENT ASSETS					
Debtors: amounts falling due within one year	16	4,573,429		5,132,222	
Cash at bank and in hand	17	4,049,227		2,226,540	
		<u>8,622,656</u>		<u>7,358,762</u>	
Creditors: amounts falling due within one year	18	(4,097,361)		(3,793,835)	
NET CURRENT ASSETS			<u>4,525,295</u>		<u>3,564,927</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,733,160</u>		<u>4,809,303</u>
NET ASSETS					
			<u><u>5,733,160</u></u>		<u><u>4,809,303</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		100		100
Other reserves	22		584,379		179,809
Profit and loss account brought forward		4,092,503		4,098,259	
Profit/(loss) for the year		519,287		(5,756)	
		<u></u>	<u></u>	<u></u>	<u></u>
Profit and loss account carried forward			4,611,790		4,092,503
			<u><u>5,733,160</u></u>		<u><u>4,809,303</u></u>

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



M R Frearson
Director

Date: 24.09.21



T L Bennett
Director

Date: 24-9-2021

The notes on pages 17 to 38 form part of these financial statements.

CARGO MARKETING SERVICES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	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 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)
Share based payments charge	-	-	-	179,809	-	179,809	-	179,809
At 1 April 2020	450,900	85,991	600	179,809	4,683,012	5,400,312	57,024	5,457,336
COMPREHENSIVE INCOME FOR THE YEAR								
Profit for the year	-	-	-	-	505,574	505,574	25,224	530,798
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	-	505,574	505,574	25,224	530,798
Share based payments charge	-	-	-	404,570	-	404,570	-	404,570
Disposal of subsidiary undertaking	-	-	-	-	-	-	188,613	188,613
AT 31 MARCH 2021	450,900	85,991	600	584,379	5,188,586	6,310,456	270,861	6,581,317

The notes on pages 17 to 38 form part of these financial statements.

CARGO MARKETING SERVICES LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital £	Share premium account £	Capital redemption reserve £	Other reserves £	Profit and loss account £	Total equity £
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 1 April 2020	450,900	85,991	100	179,809	4,092,503	4,809,303
COMPREHENSIVE INCOME FOR THE YEAR						
Profit for the year	-	-	-	-	519,287	519,287
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	-	519,287	519,287
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS						
Share based payments charge	-	-	-	404,570	-	404,570
AT 31 MARCH 2021	450,900	85,991	100	584,379	4,611,790	5,733,160

The notes on pages 17 to 38 form part of these financial statements.

CARGO MARKETING SERVICES LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) for the financial year	530,798	(60,383)
ADJUSTMENTS FOR:		
Amortisation of intangible assets	8,823	8,823
Depreciation of tangible assets	112,194	115,282
Profit on disposal of tangible assets	-	(4,871)
Sale of subsidiary undertaking	(12,919)	-
Share based payments charge	404,570	179,809
Government grants	(162,142)	(708)
Interest paid	(42)	140
Interest received	(6,562)	(17,716)
Taxation charge	150,931	50,818
Decrease in stocks	-	2,333
Decrease in debtors	235,322	235,078
Increase/(decrease) in creditors	538,169	(90,531)
Increase in amounts owed to participating interests	-	30,688
Corporation tax/(paid)	(140,911)	(100,890)
NET CASH GENERATED FROM OPERATING ACTIVITIES	1,658,231	347,872
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(44,664)	(70,207)
Sale of tangible fixed assets	-	31,851
Government grants received	162,142	708
Interest received	6,562	17,716
Sale of subsidiary undertaking	(96,499)	-
Net cash disposed of with subsidiary undertaking	(40,109)	-
NET CASH FROM INVESTING ACTIVITIES	(12,568)	(19,932)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	42	(140)
NET CASH USED IN FINANCING ACTIVITIES	42	(140)

CARGO MARKETING SERVICES LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
INCREASE IN CASH AND CASH EQUIVALENTS	1,645,705	327,800
Cash and cash equivalents at beginning of year	3,246,930	2,919,130
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	4,892,635	3,246,930
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	4,892,635	3,246,930
	4,892,635	3,246,930

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2021**

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	3,246,930	1,645,705	4,892,635
Debt due within 1 year	-	(67,795)	(67,795)
	3,246,930	1,577,910	4,824,840

The notes on pages 17 to 38 form part of these financial statements.

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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.

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 2021 of £6,581,317 (2020: £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. The directors made use of the government's Coronavirus Job Retention Scheme during the 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 pandemic. The directors feel that overall business remained buoyant and profitable through this period.

The first Quarter of FY 20/22 has continued with record profits due to the strong sales, operating and customer service procedures of the business. The logistics industry continues to face extreme challenges never seen before and we can navigate well to offer our clients the solutions they need and the margins that we are able to achieve because of our standing with our sector continue to be large.

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 have highlighted I.T and operating systems as key areas of focus to ensure the group is able to keep in line with an ever changing industry. 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. ACCOUNTING POLICIES (continued)

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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. ACCOUNTING POLICIES (continued)

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.

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. ACCOUNTING POLICIES (continued)

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.

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. ACCOUNTING POLICIES (continued)

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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. ACCOUNTING POLICIES (continued)

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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:

	2021 £	2020 £
United Kingdom	30,228,194	31,576,117
Rest of Europe	1,057,931	1,741,030
Rest of the World	2,515,497	1,354,707
	<u>33,801,622</u>	<u>34,671,854</u>

CARGO MARKETING SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****5. OTHER OPERATING INCOME**

	2021	2020
	£	£
Government grants receivable	162,142	708

The group received grant income totalling £162,142 (2020: £708) in relation to the Coronavirus Job Retention Scheme (CJRS) where the group received government assistance of 80% of the cost of furloughed staff. Income has been accounted for under the accruals model as revenue grants.

6. OPERATING PROFIT/(LOSS)

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

	2021	2020
	£	£
Depreciation of tangible fixed assets	112,194	115,282
Amortisation of intangible assets, including goodwill	8,823	8,823
(Profit)/loss on disposal of fixed assets	-	(4,871)
Fees payable to the group's auditor for the audit of the company's annual financial statements	24,800	23,350
Fees payable to the group's auditors for other services to the group:		
- The audit of the group's subsidiaries pursuant to legislation	11,450	10,650
- Taxation compliance services	3,750	3,550
Foreign exchange (gain)/loss	152,484	17,981
Operating lease costs - land and buildings	73,900	73,900
Operating lease costs - other	71,964	132,973
Defined contribution pension cost	161,912	193,655

CARGO MARKETING SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****7. EMPLOYEES**

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	3,879,859	4,245,389	3,150,297	3,237,822
Social security costs	442,973	454,881	374,832	341,552
Cost of defined contribution scheme	161,912	193,655	147,856	176,814
Share based payments charge	404,570	179,809	404,570	179,809
	<u>4,889,314</u>	<u>5,073,734</u>	<u>4,077,555</u>	<u>3,935,997</u>

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

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Administration	11	11	9	8
Management	2	2	2	2
Operations	67	64	51	52
Sales	5	5	5	5
	<u>85</u>	<u>82</u>	<u>67</u>	<u>67</u>

8. DIRECTORS' REMUNERATION

	2021 £	2020 £
Directors' emoluments	991,103	874,870
Company contributions to defined contribution pension schemes	8,000	20,000
Share based payments charge	404,570	179,809
	<u>1,403,673</u>	<u>1,074,679</u>

During the year retirement benefits were accruing to 2 directors (2020:2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £527,781 (2020: £404,556).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,000 (2020: £10,000).

CARGO MARKETING SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****9. INTEREST RECEIVABLE**

	2021 £	2020 £
Other interest receivable	6,562	17,716

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £	2020 £
Bank interest payable	(42)	140

11. TAXATION

	2021 £	2020 £
CORPORATION TAX		
Current tax on profits for the year	211,432	106,383
Adjustments in respect of previous periods	461	(24,110)
	211,893	82,273
TOTAL CURRENT TAX	211,893	82,273
DEFERRED TAX		
Origination and reversal of timing differences	(85,660)	(31,455)
TOTAL DEFERRED TAX	(85,660)	(31,455)
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	126,233	50,818

CARGO MARKETING SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****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% (2020: 19%). The differences are explained below:

	2021	2020
	£	£
Profit/(loss) on ordinary activities before tax	657,031	(9,565)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020:19%)	124,836	(1,817)
EFFECTS OF:		
Non-tax deductible amortisation of goodwill and impairment	1,838	1,676
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(740)	8,036
Depreciation of ineligible assets	(162)	3,490
Adjustments to tax charge in respect of prior periods	461	(25,871)
Unrelieved tax losses carried forward	-	60,400
Changes in tax rates	-	4,501
Other adjustments	-	403
TOTAL TAX CHARGE FOR THE YEAR	126,233	50,818

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

At the Budget 2020, the government announced that the corporation tax main rate for the year starting 1 April 2020 would remain at 19%. Deferred tax has been calculated at 19%.

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

12. INTANGIBLE ASSETS

Group

	Goodwill £
COST	
At 1 April 2020	96,196
On disposal of subsidiaries	(7,966)
At 31 March 2021	88,230
AMORTISATION	
At 1 April 2020	59,672
Charge for the year on owned assets	8,823
On disposals	(7,966)
At 31 March 2021	60,529
NET BOOK VALUE	
At 31 March 2021	27,701
At 31 March 2020	36,524

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 2021**

13. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
COST OR VALUATION						
At 1 April 2020	935,417	467,541	53,245	189,043	376,316	2,021,562
Additions	-	6,255	-	26,256	12,153	44,664
Disposal of subsidiary	-	(84,614)	-	(15,303)	(14,126)	(114,043)
At 31 March 2021	935,417	389,182	53,245	199,996	374,343	1,952,183
DEPRECIATION						
At 1 April 2020	286,717	214,254	27,426	128,710	303,530	960,637
Charge for the year on owned assets	18,372	39,392	12,606	19,253	22,571	112,194
Disposal of subsidiary	-	(75,488)	-	(7,824)	(4,419)	(87,731)
At 31 March 2021	305,089	178,158	40,032	140,139	321,682	985,100
NET BOOK VALUE						
At 31 March 2021	630,328	211,024	13,213	59,857	52,661	967,083
At 31 March 2020	648,700	253,287	25,819	60,333	72,786	1,060,925

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

13. TANGIBLE FIXED ASSETS (CONTINUED)

Included within freehold land and buildings is freehold land of £200,000 (2020: £200,000) which is not depreciated.

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

				2021 £	2020 £
Freehold				630,328	648,700
Company					
	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
COST OR VALUATION					
At 1 April 2020	935,417	53,245	136,122	319,155	1,443,939
Additions	-	-	17,423	10,377	27,800
At 31 March 2021	935,417	53,245	153,545	329,532	1,471,739
DEPRECIATION					
At 1 April 2020	286,717	27,426	93,141	265,569	672,853
Charge for the year on owned assets	18,372	12,606	14,306	19,027	64,311
At 31 March 2021	305,089	40,032	107,447	284,596	737,164
NET BOOK VALUE					
At 31 March 2021	630,328	13,213	46,098	44,936	734,575
At 31 March 2020	648,700	25,819	42,981	53,586	771,086

Included within freehold land and buildings is freehold land of £200,000 (2020: £200,000) which is not depreciated.

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

	2021 £	2020 £
Freehold	<u>630,328</u>	<u>648,700</u>

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

14. FIXED ASSET INVESTMENTS

Group

	Unlisted investments £
COST	
At 1 April 2020	240,000
At 31 March 2021	<u>240,000</u>
NET BOOK VALUE	
At 31 March 2021	<u>240,000</u>
At 31 March 2020	<u>240,000</u>

Company

	Investments in subsidiary companies £	Unlisted investments £	Loans to subsidiaries £	Total £
COST				
At 1 April 2020	318,290	240,000	270,000	828,290
Disposals	(85,000)	-	(270,000)	(355,000)
At 31 March 2021	<u>233,290</u>	<u>240,000</u>	<u>-</u>	<u>473,290</u>
At 1 April 2020	85,000	-	270,000	355,000
Impairment on disposals	(85,000)	-	(270,000)	(355,000)
At 31 March 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET BOOK VALUE				
At 31 March 2021	<u>233,290</u>	<u>240,000</u>	<u>-</u>	<u>473,290</u>
At 31 March 2020	<u>233,290</u>	<u>240,000</u>	<u>-</u>	<u>473,290</u>

CARGO MARKETING SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****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%

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

During the year the company disposed of its 60% holding in International Cargo Centre Limited.

15. STOCKS

	Group 2021 £	Group 2020 £
Finished goods and goods for resale	-	2,849

16. DEBTORS

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	5,119,584	5,205,863	3,896,226	4,095,648
Amounts owed by group undertakings	-	-	290,473	395,543
Other debtors	308,854	510,069	226,907	462,517
Prepayments and accrued income	115,945	213,172	52,888	153,446
Deferred taxation	76,552	-	106,935	25,068
	5,620,935	5,929,104	4,573,429	5,132,222

17. CASH AND CASH EQUIVALENTS

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	4,892,635	3,246,930	4,049,227	2,226,540

CARGO MARKETING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade creditors	3,958,129	4,016,599	3,205,216	3,131,883
Amounts owed to group undertakings	-	-	-	58,005
Amounts owed to other participating interests	-	189,690	-	-
Corporation tax	211,432	106,383	187,961	64,356
Other taxation and social security	141,644	145,072	116,378	112,556
Other creditors	182,121	117,355	168,433	104,145
Accruals and deferred income	673,711	465,420	419,373	322,890
	5,167,037	5,040,519	4,097,361	3,793,835

19. FINANCIAL INSTRUMENTS

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
FINANCIAL ASSETS				
Financial assets measured at fair value through profit or loss	240,000	240,000	473,290	473,290
Financial assets that are debt instruments measured at amortised cost	10,321,073	8,962,862	8,462,833	7,177,824
	10,561,073	9,202,862	8,936,123	7,651,114
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost	(4,813,961)	(4,791,488)	(3,793,022)	(3,616,923)

Financial assets measured at fair value through profit or loss comprise unlisted investments.

Financial assets that are debt instruments measured at amortised cost comprise cash at bank, 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 2021**

20. DEFERRED TAXATION

Group

	2021 £	2020 £
At beginning of year	(18,477)	(49,932)
Charged to profit or loss	85,660	31,455
Disposal of subsidiary	9,369	-
AT END OF YEAR	76,552	(18,477)

Company

	2021 £	2020 £
At beginning of year	25,068	(11,277)
Charged to profit or loss	81,867	36,345
AT END OF YEAR	106,935	25,068

The deferred taxation balance is made up as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Accelerated capital allowances	(39,553)	(57,362)	(6,936)	(12,020)
Other short term timing differences	5,074	4,721	2,840	2,924
Timing differences relating to share based payments	111,031	34,164	111,031	34,164
	76,552	(18,477)	106,935	25,068

21. SHARE CAPITAL

	2021 £	2020 £
ALLOTTED, CALLED UP AND FULLY PAID		
450,900 (2020: 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 2021

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 previous 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 £404,570 (2020: £179,809) 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 £161,912 (2020: £193,655). Contributions totalling £18,150 (2020: £17,613) 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 2021****25. COMMITMENTS UNDER OPERATING LEASES**

At 31 March 2021 the group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Land and buildings				
Not later than 1 year	73,900	73,900	73,900	73,900
Later than 1 year and not later than 5 years	245,600	65,433	245,600	65,433
	319,500	139,333	319,500	139,333
	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Other leases				
Not later than 1 year	75,722	123,099	74,005	66,530
Later than 1 year and not later than 5 years	73,677	74,667	69,126	32,994
	149,399	197,766	143,131	99,524

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	(584)	3,808
Advances	4,342	10,000
Repayments	(3,000)	(4,508)
Closing balance	758	9,300

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

27. RELATED PARTY TRANSACTIONS

Ultimate controlling entity

The group is controlled by Mr D G Horwell who owns 84.44% (2020: 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 £259,074 (2020: £229,162) and purchased services totalling £(47,488) (2020: £350) from Maritime Service Line UK Limited, a subsidiary undertaking. As at 31 March 2021 the company was owed £90,782 (2020: £21,546) from Maritime Service Line UK Limited.

During the year Cargo Marketing Services Limited sold services totalling £Nil (2020: £43,280) and purchased services totalling £Nil (2020: £260,581) from International Cargo Centre Limited. As at 31 March 2021 the company owed £Nil (2020: £48,787) 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 £710,171 (2020: £595,876). At the year end the company owed £67,795 (2020: £206,138 owed from) to 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 the company sold services totalling £134,737 (2020: £Nil) and purchased fixed assets totalling £14,856 (2020: £Nil) from Titan Data Solutions Ltd, a company with common directors. At the year end the company was owed £4,606 from Titan Data Solutions Ltd which is included within trade debtors due within one year.

During the year key management personnel received remuneration, including pensions contributions, of £991,103 (2020: £981,115).