

NORTHWARDS LTD.



Northwards LTD.

**Annual report and financial statements for the year
ended 31 December 2012**

Registered number: SC225409

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Directors and advisors for the year ended 31 December 2012**Directors**

Ole Saevild
Tor Gjostein
Murray Prentice
G Brian Anderson
John White
Neil Leslie

Secretary

Neil Leslie

Registered office

Andersons Base
Gremista
LERWICK
SHETLAND
ZE1 0PX

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
32 Albyn Place
Aberdeen
AB10 1YL

Bankers

Royal Bank of Scotland
3 High Street
Dundee
DD1 9LY

Directors' report for the year ended 31 December 2012

The directors present their report and the audited financial statements of the company for the year ended 31 December 2012.

Principal activities

The principal activity of Northwards LTD. (the "Company") during the year was freight handling and the provision of haulage services primarily in the North East of Scotland, Shetland and Orkney.

Review of the business and future developments

The directors are buoyed by the results for the year. The market continues to be competitive. The prospects are positive as the markets in the Northern Isles continue to improve and are forecast to improve significantly over the next few years. Tourism, construction, aquaculture and oil & gas sectors are all showing bullish future activity.

The directors regard 2012 as a year where there have been further efficiencies in processes for Northwards Limited. The directors look forward to continued improved results in the future.

Key risks and uncertainties

Credit risk is managed by agreeing payment terms in advance, including stage milestone payments for high value contracts to ensure trading cashflow is not adversely affected. Appropriate credit control procedures are followed for all operations. There is very little currency risk as the company's transactions are predominantly in sterling. The company is financed by bank borrowing and therefore there is some exposure to interest rate fluctuations and liquidity risk. The company aims to mitigate liquidity risk by managing cash generated by its operations. Capital expenditure is approved at board level.

Key performance indicators "KPIs"

The directors of the ultimate parent undertaking, Sea-Cargo AS, manage operations on a geographical basis. For this reason the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development or position of the business. The KPI's for the Group are discussed in the Group's Annual Report and Accounts.

Results and dividends

The pre tax loss for the financial year is £98,048 (2011 loss £155,733). The directors do not recommend the payment of a dividend. The loss will be deducted from reserves.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Ole Saevid
Tor Gjostein
Murray Prentice
Neil Leslie
John White
G Brian Anderson

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Directors' report for the year ended 31 December 2012 (continued)

Statement of directors' responsibilities (continued)

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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

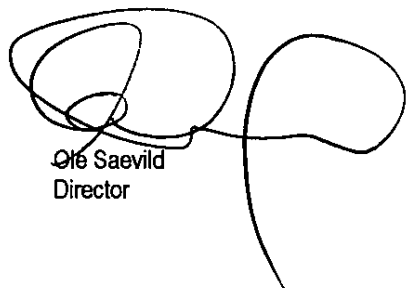
So far as each of the directors in office at the date of approval of these financial statements is aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information, and to establish that the Company's auditors are aware of that information.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, were appointed on 13 December 2012 and have indicated their willingness to continue in office, and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board 6 September 2013



Ole Saevild
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTHWARDS LTD.

We have audited the financial statements of Northwards LTD. for the year ended 31 December 2012 which comprise the Profit and loss account, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities as set out on pages 2 and 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

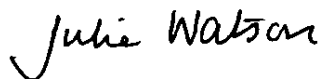
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



Julie Watson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Aberdeen
6 September 2013

Profit and loss account for the year ended 31 December 2012

	Note	2012 £	2011 £
Turnover	1	7 998 744	8 472 378
Cost of sales		<u>(4 959 973)</u>	<u>(6 522 410)</u>
Gross profit		3 038 771	1 949 968
Administrative expenses		<u>(3 005 668)</u>	<u>(2 029 544)</u>
Operating profit / (loss)	2	33 103	(79 576)
Interest receivable and similar income	8	172	132
Interest payable and similar charges	4	<u>(131 323)</u>	<u>(76 289)</u>
Loss on ordinary activities before taxation		(98 048)	(155 733)
Tax on loss on ordinary activities	5	<u>-</u>	<u>57 186</u>
Loss for the year	15	<u><u>(98 048)</u></u>	<u><u>(98 547)</u></u>

All amounts above relate to continuing operations of the Company.

The Company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

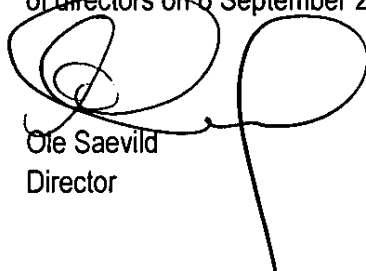
There is no significant difference between the loss on ordinary activities before taxation and the loss for the financial year stated above, and their historical cost equivalents.

The notes on pages 8 - 16 form an integral part of these financial statements.

Balance sheet as at 31 December 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	7	780 429	598 229
Total fixed assets		<u>780 429</u>	<u>598 229</u>
Current assets			
Stocks	17	73 245	70 439
Debtors	9	2 420 695	2 085 392
Cash at bank and in hand		45 473	51 312
Total current assets		<u>2 539 413</u>	<u>2 207 143</u>
Creditors - Amounts falling due within one year	10	<u>(2 489 820)</u>	<u>(2 408 923)</u>
Net current assets		<u>49 593</u>	<u>(201 780)</u>
Total assets less current liabilities		<u>830 022</u>	<u>396 449</u>
Creditors - Amounts falling due after more than one year	11	(817 971)	(286 349)
Provision for liabilities	6	-	-
Net assets		<u>12 052</u>	<u>110 100</u>
Capital and reserves			
Called up share capital	15	712 500	712 500
Profit and loss account	16	<u>(700 448)</u>	<u>(602 400)</u>
Total shareholders' funds	17	<u>12 052</u>	<u>110 100</u>

These financial statements and related notes on pages 5 - 16 were approved by the board of directors on 6 September 2013 and were signed on its behalf by:


Ole Saevild
Director

Registered number SC225409

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Cash flow statement for the year ended 31 December 2012

	Note	2012 £	Restated 2011 £
Net cash (outflow) / inflow from operating activities	19	(189 652)	274 229
Returns on investments and servicing of finance	20	(131 151)	(76 157)
Capital expenditure and financial investment	20	(440 448)	(29 032)
Cash (Outflow) / Inflow before Financing		(761 251)	169 040
Financing	20	(234 635)	277 483
(Decrease) / Increase in Cash in the Year		<u>(995 886)</u>	<u>446 523</u>

Reconciliation of Net Cash Flow to Movement in Net Debt

(Decrease) / Increase in cash in the year		(995 886)	446 523
Cash inflow from increase in debt and lease financing		108 030	222 517
Movement in Net Debt in the Year	21	<u>(887 856)</u>	<u>669 040</u>
Net debt at 1 January 2012		(1 279 864)	(1 948 904)
Net Debt at 31 December 2012	21	<u>(2 167 720)</u>	<u>(1 279 864)</u>

The prior year cash flow statement has been restated to correct the disclosure of the opening net debt position as at 1 January 2011.

The notes on pages 8 - 16 form an integral part of these financial statements.

Notes to the financial statements for the year ended 31 December 2012

Principal Accounting policies

The financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The cash flow statement in respect of the year ended 31 December 2011 has been restated to correct the disclosure of the opening net debt position as at 1 January 2012. This restatement does not affect the balance sheet and ensures consistency throughout the financial statements. The affect of the restatement has been correctly reflected within the analysis of net debt (note 21).

The principal accounting policies, which have been consistently applied, other than where new policies have been adopted, are set out below:

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Turnover is recognised at the time of delivery of services related to goods being shipped or other similar activities.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is provided on all tangible fixed assets at rates which are calculated to write off the cost less the estimated residual value of tangible fixed assets, on a straight line basis, over their estimated useful economic lives as follows:

Plant, machinery & office equipment	33% or 20% depending on classification
Motor vehicles	20% for new vehicles and 33% for used vehicles
Tenants improvements	4% - 20% depending on classification
Haulage & groupage plant	15% - 25% depending on classification

Impairment of tangible fixed assets

At each balance sheet date, the company reviews the carrying amounts of the tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in the income statement

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete and slow-moving items.

Operating leases

Rentals under operating leases are charged to the profit and loss account, 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 period until the date which the rent is expected to be adjusted to the prevailing market rate.

Leasing and hire purchase commitments

Assets obtained under purchase contracts and finance lease are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Notes to the financial statements for the year ended 31 December 2012 (continued)**Principal Accounting policies (continued)****Pensions**

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided on taxable profits at current rates of taxation.

Deferred tax is recognised in respect of all timing differences that have originated, but not reversed, at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more probable than not that there will be sufficient taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is measured on a non- discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date..

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

NORTHWARDS LTD.



Notes to the financial statements for the year ended 31 December 2012 (continued)

1 - Turnover

The principal activity of Northwards Limited (the "Company") during the year was freight handling and the provision of haulage services primarily in the North East of Scotland, Shetland and Orkney.

2 - Operating profit/ (loss)

	Year ended 31.des 2012 £	Year ended 31.des 2011 £
Operating profit/ (loss) is stated after charging:		
Depreciation of tangible assets (Note 7):		
owned assets	150 161	124 144
leased assets	129 586	171 936
Operating lease rentals	94 333	25 426
Gain on fixed asset disposals	21 499	-
Services provided by the company's auditors		
Fees payable for the audit	8 828	10 000
Fees payable for services relating to taxation	-	1 000
Fees payable for all other services	9 480	7 828

3 - Employment information and directors emoluments

	Year ended 31.des 2012 £	Year ended 31.des 2011 £
Wages and salaries	1 668 502	1 750 972
Social security costs	194 003	172 748
Other pension costs (Note 13)	8 979	20 972
	1 871 484	1 944 692

The directors did not receive or waive any emoluments from the Company during the year (2011: 134,160).

The average monthly number of persons employed by the Company (including directors) during the year was:

	Year ended 31.des 2012 No.	Year ended 31.des 2011 No.
Operational	70	78

4 - Interest payable and similar charges

	Year ended 31.des 2012 £	Year ended 31.des 2011 £
Interest payable on loans and overdrafts	1 044	1 278
Interest payable to group undertakings	45 905	6 853
Other interest	30 551	22 419
Finance lease/hire purchase interest	53 823	45 739
	131 323	76 289

Notes to the financial statements for the year ended 31 December 2012 (continued)

5 - Taxation on ordinary activities

	Year ended 31.des 2012 £	Year ended 31.des 2011 £
Analysis of charge in year		
UK corporation tax		
Current tax on profit for the year	-	-
Total current tax	-	-
Deferred tax		
Origination of timing differences (Note 6)	-	(57 186)
Tax on profit on ordinary activities	-	(57 186)

The current tax credit for the year is lower (2011: lower) than the effective rate of corporation tax in the UK of 24.5% for the year (2011: 26.5%). The differences are explained below:

	Year ended 31.des 2012 £	Year ended 31.des 2011 £
Current tax reconciliation		
Loss on ordinary activities before tax	(98 048)	(155 733)
Current tax 24.5% (2011: 26.5%)	(24 022)	(41 269)
Effect of:		
Carry forward of current year tax losses	2 746	12 797
Accelerated capital allowances	16 309	27 342
Expenses not deductible for tax purposes	4 967	1 130
Total current tax charge	-	-

In the Finance Act 2012 the rate of corporation tax was reduced to 24% for the period from 1 April 2012 to 31 March 2013 and to 23% from 1 April 2013. These changes were substantively enacted on 26 March 2012 and 3 July 2012 respectively and as such deferred tax at the balance sheet date has been recognised at the rate of 23% on the basis that it will materially reverse after 1 April 2013.

In addition to the changes in rates of Corporation tax disclosed above further changes to the UK Corporation tax rates were announced in the 2012 Autumn Statement and the March 2013 Budget. These include further reductions to the main rate to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015. These changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

The proposed reductions to the main rate of corporation tax are both expected to be enacted as part of the Finance Act 2013. The proposed reductions in the main rate of corporation tax to 21% from 1 April 2014 and to 20% from 1 April 2015 are both expected to be enacted as part of Finance Act 2013. The effects of the proposed changes have no significant impact upon these financial statements.

The company has an unrecognised deferred tax asset in respect of unused corporation tax losses and accelerated capital allowances of £164,417 (2011: £159,272).

6 - Provision for Liabilities

	Year ended 31.des 2012 £	Year ended 31.des 2011 £
Deferred tax provision at 1 January	-	57 186
Profit and loss (credit) for the year (Note 5)	-	(57 186)
Deferred tax provision at 31 December	-	-

Notes to the financial statements for the year ended 31 December 2012 (continued)

7 - Tangible fixed assets

	Plant, machinery & office equipment	Motor vehicles	Tenant's improvement	Haulage & groupage plant	Total fixed assets
Cost	£	£	£	£	£
At 1 January 2012	132 767	49 577	56 523	2 344 061	2 582 928
Additions	10 466	-	-	452 482	462 948
Disposals	-	-	-	(39 120)	(39 120)
At 31 December 2012	143 233	49 577	56 523	2 757 423	3 006 756
Accumulated depreciation					
At 1 January 2012	104 013	34 393	15 225	1 831 068	1 984 699
Charge for the year	16 473	5 836	11 304	246 134	279 747
Disposal	-	-	-	(38 119)	(38 119)
At 31 December 2012	120 486	40 229	26 529	2 039 083	2 226 327
Net book value at 31 December 2012	22 747	9 348	29 994	718 340	780 429
Net book value at 31 December 2011	28 754	15 184	41 298	512 993	598 229

	Year ended 31.des 2012	Year ended 31.des 2011
	£	£
Net book value of assets held under finance leases and capitalised above;		
Haulage & groupage	521 605	389 219
Motor vehicles	7 460	11 924
Net book value	529 064	401 142

8 - Interest receivable and similar income

	Year ended 31.des 2012	Year ended 31.des 2011
	£	£
Bank interest	172	132
	172	132

9 - Debtors

	Year ended 31.des 2012	Year ended 31.des 2011
	£	£
Trade debtors	2 135 675	1 982 394
Amounts owed by group undertakings	7 089	-
Prepayments and accrued income	265 861	90 290
Other debtors	12 070	12 708
	2 420 695	2 085 392

Trade debtors subject to limited recourse financing represent debtors discounted with banks in the ordinary course of business, subject to limited recourse so that the majority of cash received by the company on discounting is non-returnable, and which carry interest at variable rates. The potentially returnable element of the proceeds are recorded as "Amounts due in respect of factored trade debtors" within note 10. The company will not make good any losses over and above the agreed recourse limit and the relevant bank have confirmed their acceptance of this position.

Notes to the financial statements for the year ended 31 December 2012 (continued)

10 - Creditors - amounts falling due within one year

	Year ended 31.des 2012 £	Year ended 31.des 2011 £
Amounts due in respect of factored trade debtors	1 077 398	809 966
Trade creditors	815 780	972 747
Finance lease liability	119 921	155 916
Amounts owed to group undertakings	112 683	-
Long term debt - instalment within one year (Note 12)	197 902	78 945
Taxation and social security	71 106	171 367
Accruals and deferred income	95 030	219 983
	2 489 820	2 408 924

The amounts due to group undertakings are unsecured, non-interest bearing and payable on demand.

The long term loan from group undertakings is unsecured and interest is charged on a fixed rate of 6 % per year.

11 - Creditors amounts falling due after more than one year

	Year ended 31.des 2012 £	Year ended 31.des 2011 £
Long term debt - instalments due after more than one year (Note 12)	548 899	206 756
Finance lease liability	269 072	79 593
	817 971	286 349

The long term loan from group undertakings is unsecured and interest is charged on a fixed rate of 6% per year.

12 - Loan and other borrowings

	Year ended 31.des 2012 £	Year ended 31.des 2011 £
Long term debt - instalment within one year (Note 10)	197 902	78 945
Long term debt - instalments due after more than one year (Note 11)	548 899	206 756
Finance leases (Note 10 & 11)	388 993	235 509
	1 135 795	521 210

Maturity of financial liabilities

	2012 £	2011 £
In one year or less, or on demand	317 823	234 861
In more than one year, but not more than two years	272 598	158 538
In more than two years, but not more than five years	545 374	127 811
	1 135 795	521 210

The long term loan from group undertakings is unsecured and interest is charged on a fixed rate of 6 % per year.

Notes to the financial statements for the year ended 31 December 2012 (continued)

12 - Loan and other borrowings (continued)

	Year ended 31.des 2012 £	Year ended 31.des 2011 £
Future minimum payments under finance leases are as follows		
Within one year	119 921	155 916
In more than one year, but not more than five years	269 072	79 593
Total gross payments	388 993	235 509

13 - Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amount to £ 8,979 (2011: £ 20,972). There were no outstanding unpaid contributions at the balance sheet date.

14 - Called up share capital

	Year ended 31.des 2012 £	Year ended 31.des 2011 £
Authorised		
712,500 ordinary shares of £1 each	712 500	712 500
Allotted, called up and fully paid	£	£
712,500 (2011: 712,500) ordinary shares of £1 each	712 500	712 500

15 - Profit and loss account

	Year ended 31.des 2012 £	Year ended 31.des 2011 £
At 1 January - deficit	(602 400)	(503 853)
Loss for the year	(98 048)	(98 547)
At 31 December - deficit	(700 448)	(602 400)

16 - Reconciliation of movements in shareholders' funds

	Year ended 31.des 2012 £	Year ended 31.des 2011 £
Opening shareholders' funds/(Deficit)	110 100	(291 353)
Paid in share capital	-	500 000
Loss for the financial year	(98 048)	(98 547)
Closing shareholders' funds	12 052	110 100

Notes to the financial statements for the year ended 31 December 2012 (continued)

17 - Stocks

	Year ended 31.des 2012 £	Year ended 31.des 2011 £
Spare parts	73 245	110 439
Provision obsolete or slow moving stock	-	(40 000)
	73 245	70 439

18 - Related party transactions

The company is owned 74,6% by Sea-Cargo Aberdeen Ltd who is a subsidiary of Sea-Cargo AS and is included in the consolidated financial statements of Sea-Cargo, which are publicly available

	Year ended 31.des 2012 £	Year ended 31.des 2011 £
Debtors - amounts falling due within one year		
Amounts owed by group undertakings	7 089	22 156
Creditors - amounts falling due within one year		
Amounts owed to group undertakings	101 245	223 129
Long term debt		
Amounts owed to group undertakings	726 502	353 811
The long term loan from group undertakings is unsecured and interest is charged on a fixed rate of 6 % per year.		
Interest cost on shareholder loan	45 905	6 853
Revenue	60 776	28 734
Cost of sales and administration cost	417 482	617 582

19 - Net cash flow from operating activities

	Year ended 31.des 2012 £	Year ended 31.des 2011 £
Operating profit / (loss)	33 103	(79 576)
Depreciation of tangible fixed assets	279 747	296 080
(Increase) / Decrease in stocks	(2 806)	72 890
(Increase) / Decrease in debtors	(335 303)	(323 321)
Increase / (Decrease) in creditors	(164 393)	116 906
Increase / (Decrease) in amounts owed to group undertakings	-	191 250
Net cash (outflow) / inflow from operating activities	(189 652)	274 229

Notes to the financial statements for the year ended 31 December 2012 (continued)

20 - Analysis of cash flows

	Year ended 31.des 2012 £	Year ended 31.des 2011 £
Returns on investments and servicing of finance		
Interest received	172	132
Interest paid	(78 500)	(30 550)
Hire purchase interest paid	(52 823)	(45 739)
	(131 151)	(76 157)

Capital expenditure and financial investment

Purchase of tangible fixed assets	(462 948)	(29 032)
Disposal of tangible fixed assets	22 500	-
	(440 448)	(29 032)

	Year ended 31.des 2012 £	Year ended 31.des 2011 £
Financing		
Issue of ordinary shares	-	500 000
Repayment of loans	(10 402)	(9 929)
Repayment of finance leases	(224 233)	(212 588)
Net cash (outflow) / inflow from financing	(234 635)	277 483

21 - Analysis of changes in net debt

	Restated At 1 Jan 2012 £	Cash flows £	Other non-cash changes £	At 31 Dec 2012 £
Cash at bank and in hand	51 312	(5 839)	-	45 473
Amounts due in respect of factored trade debtors	(809 966)	(267 432)	-	(1 077 398)
	(758 654)	(273 271)	-	(1 031 925)
Debt Funding:				
Debt due within 1 year	(78 945)	(118 957)	-	(197 902)
Debt due after 1 year	(206 756)	(342 143)	-	(548 899)
Finance leases due within 1 year	(155 916)	35 994	-	(119 922)
Finance leases due after 1 year	(79 593)	(189 479)	-	(269 072)
	(1 279 864)	(887 856)	-	(2 167 720)

The opening net debt position has been restated to correct the disclosure of the net debt position as at 1 January 2012.

22 - Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party is Sea-Cargo AS, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Sea-Cargo AS financial statements can be obtained from Sea-Cargo AS, P.O.B 353 Nesttun N-5853 Bergen.