
SPEDITION SERVICES LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

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SPEDITION SERVICES LIMITED

COMPANY INFORMATION

Directors	PSC Logistics SPRL Y. Fazal Z. Fazal C. D. Tracey
Company secretary	J. H. Garner
Registered number	02569484
Registered office	Spedition House 1-2 Blenheim Court, Brook Way Leatherhead Surrey KT22 7NA
Independent auditors	Calders (1883) LLP Chartered Accountants and Statutory Auditors 16 Charles II Street London SW1Y 4NW

SPEDITION SERVICES LIMITED

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SPEDITION SERVICES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

Introduction

The directors present their strategic report for the year ended 31 March 2019.

Business review

The company's turnover increased by 11.6% to £26.2m over the year. The gross profit margin fell slightly in the period. Part of this reduction was due to exchange rate fluctuations following Brexit and related economic changes.

The directors have been pleased with the overall development of the business throughout the year which has exceeded their expectations and believe that the company's strong balance sheet will allow it to remain competitive and in a good position to take advantage of any opportunities arising next year.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are from competition and liquidity and cash flow.

Competitive Risks

The Company operates in a highly competitive marketplace. However, the Company is well positioned to maintain its market share.

Exposure to liquidity and cash flow risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. We aim to mitigate liquidity risk by managing cash generation by our operations, applying cash collection targets and maintaining a meaningful cash position to fund working capital requirements.

Cash flow risk is the risk that inflows and outflows of cash equivalents will not be sufficient to finance the day-to-day operations. We manage cash flow risk by careful negotiation of terms with customers and suppliers.

Financial key performance indicators

The board does not consider that the company faces any unduly significant financial risks as it has good debtors control, significant and adequate cash and bank balances to finance the level of its trade. The company manages its cash flow well and believes that it is in a position to react to any downturn in economic activity without resorting to bank borrowings as it can rely on its existing working capital and healthy bank and cash balances to finance both existing levels of trade and to any short term reduction in those levels.

Key performance indicators

The directors believe that analysis using key performance indicators for the company in isolation is not necessary or appropriate for an understanding of its development or market position.

This report was approved by the board on 30 July 2019 and signed on its behalf.



Y. Fazal
Director

SPEDITION SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 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 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The Company's principal activity is specialising in transport and logistics to Russia and Central Asian States.

Results and dividends

The profit for the year, after taxation, amounted to £2,014,684 (2018 - £2,017,048).

Dividends of £929,442 (2018 - £874,432) were paid or proposed to be paid at the end of the year.

Directors

The directors who served during the year were:

PSC Logistics SPRL
Y. Fazal
Z. Fazal
C. D. Tracey

SPEDITION SERVICES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

HOLDING COMPANY

The company's holding company is PSC Logistics SPRL, a company incorporated and resident in Belgium. Consolidated accounts are not required in Belgium for an entity of this size.

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'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's auditors are aware of that information.

Post balance sheet events

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

Auditors

The auditors, Calders (1883) LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 30 July 2019 and signed on its behalf.



Y. Fazal
Director

SPEDITION SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SPEDITION SERVICES LIMITED

Opinion

We have audited the financial statements of Spedition Services Limited (the 'Company') for the year ended 31 March 2019, which comprise the Statement of income and retained earnings, the Statement of financial position, the Statement of cash flows, the 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 Company's affairs as at 31 March 2019 and of its 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

SPEDITION SERVICES LIMITED

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

misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the 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 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

SPEDITION SERVICES LIMITED

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



David Gallagher (Senior statutory auditor)

for and on behalf of
Calders (1883) LLP

Chartered Accountants
and Statutory Auditors

16 Charles II Street
London
SW1Y 4NW

30 July 2019

SPEDITION SERVICES LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £	2018 £
Turnover	3	26,249,346	23,520,980
Cost of sales		(20,958,687)	(18,411,297)
Gross profit		5,290,659	5,109,683
Administrative expenses		(2,898,471)	(2,612,559)
Operating profit	4	2,392,188	2,497,124
Interest receivable and similar income	8	1,026	4,361
Interest payable and expenses	9	-	(1,387)
Profit before tax		2,393,214	2,500,098
Tax on profit	10	(378,530)	(483,050)
Profit after tax		2,014,684	2,017,048
Retained earnings at the beginning of the year		6,983,008	5,840,392
		6,983,008	5,840,392
Profit for the year		2,014,684	2,017,048
Dividends		(929,442)	(874,432)
Retained earnings at the end of the year		8,068,250	6,983,008

The notes on pages 11 to 22 form part of these financial statements.

SPEDITION SERVICES LIMITED
REGISTERED NUMBER: 02569484

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	1,443,289	1,431,260
Investments	13	110,139	112,196
		<u>1,553,428</u>	<u>1,543,456</u>
Current assets			
Debtors: amounts falling due after more than one year	14	6,447	-
Debtors: amounts falling due within one year	14	4,013,929	3,482,029
Cash at bank and in hand	15	6,027,991	5,526,906
		<u>10,048,367</u>	<u>9,008,935</u>
Creditors: amounts falling due within one year	16	(3,443,545)	(3,479,383)
Net current assets		<u>6,604,822</u>	<u>5,529,552</u>
Total assets less current liabilities		<u>8,158,250</u>	<u>7,073,008</u>
Net assets		<u><u>8,158,250</u></u>	<u><u>7,073,008</u></u>
Capital and reserves			
Called up share capital	18	90,000	90,000
Profit and loss account		8,068,250	6,983,008
		<u><u>8,158,250</u></u>	<u><u>7,073,008</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 July 2019.


Y. Fazal
 Director

The notes on pages 11 to 22 form part of these financial statements.

SPEDITION SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2017	90,000	5,840,392	5,930,392
Comprehensive income for the year			
Profit for the year	-	2,017,048	2,017,048
Total comprehensive income for the year	-	2,017,048	2,017,048
Dividends: Equity capital	-	(874,432)	(874,432)
Total transactions with owners	-	(874,432)	(874,432)
At 1 April 2018	90,000	6,983,008	7,073,008
Comprehensive income for the year			
Profit for the year	-	2,014,684	2,014,684
Total comprehensive income for the year	-	2,014,684	2,014,684
Dividends: Equity capital	-	(929,442)	(929,442)
Total transactions with owners	-	(929,442)	(929,442)
At 31 March 2019	90,000	8,068,250	8,158,250

The notes on pages 11 to 22 form part of these financial statements.

SPEDITION SERVICES LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019**

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	2,014,684	2,017,048
Adjustments for:		
Depreciation of tangible assets	60,056	71,501
Loss on disposal of tangible assets	206	14
Interest paid	-	1,387
Interest received	(1,026)	(4,361)
Taxation charge	378,530	483,050
(Increase) in debtors	(538,345)	(858,200)
(Decrease)/increase in creditors	(76,552)	312,699
Corporation tax (paid)	(337,819)	(705,266)
Net cash generated from operating activities	1,499,734	1,317,872
Cash flows from investing activities		
Purchase of tangible fixed assets	(72,290)	(25,582)
Purchase of unlisted and other investments	-	(3,784)
Sale of unlisted and other investments	2,057	-
Interest received	1,026	4,361
Net cash from investing activities	(69,207)	(25,005)
Cash flows from financing activities		
Dividends paid	(929,442)	(500,000)
Interest paid	-	(1,387)
Net cash used in financing activities	(929,442)	(501,387)
Net increase in cash and cash equivalents	501,085	791,480
Cash and cash equivalents at beginning of year	5,526,906	4,735,426
Cash and cash equivalents at the end of year	6,027,991	5,526,906
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	6,027,991	5,526,906
	6,027,991	5,526,906

The notes on pages 11 to 22 form part of these financial statements.

SPEDITION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies

1.1 Basis of preparation of financial statements

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

Under Section 454 Companies Act 2006 the directors of the company may revise these financial statements if they subsequently prove to be defective.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The company operates a number of branches and offices in various other jurisdictions to assist in the smooth and efficient running of operations. Whilst some of these branches operate through local Limited Companies; paying local corporate taxes, as they are effectively cost centres and all sales and costs are recorded as those of Spedition Services Limited and all assets and liabilities show on Spedition Services Limited's balance sheet, they are not treated as subsidiaries. The directors believe this properly reflects the substance of the company's method of operation.

The following principal accounting policies have been applied:

1.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding value added tax and where applicable other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services:

Revenue from a contract to provide services is recognised at the point of loading of goods when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the costs incurred and the costs to complete the contract can be measured reliably.

1.3 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.

SPEDITION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies (continued)

1.3 Tangible fixed assets (continued)

Depreciation 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:

Land and buildings	- 2% on freehold buildings
Motor vehicles	- 20% straight line
Fixtures and fittings	- 33% straight line
Computer equipment	- 33% straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

1.4 Valuation of investments

The company owns property in Denmark held through a Limited Company, Spedition Invest ApS. This is treated as an investment on the Statement of Financial Position. The investment is carried at original cost of shares and loans given translated at the rate of exchange prevailing at the time of the investment. In the opinion of the directors the investment has a net realisable value at least equal to this and the position is reviewed annually. Whilst the company is a subsidiary, the directors consider this treatment more appropriate to the substance of ownership. The intention is to sell the property and wind up the company as soon as possible.

1.5 Debtors

Short term debtors are measured at transaction price, less any impairment.

1.6 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

1.7 Creditors

Short term creditors are measured at the transaction price.

1.8 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

1.9 Finance costs

Finance costs are charged to the Statement of income and retained earnings 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.

SPEDITION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies (continued)

1.10 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of income and retained earnings 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 Company in independently administered funds.

1.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of income and retained earnings within 'other operating income'.

SPEDITION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies (continued)

1.12 Taxation

Tax is recognised in the Income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Material 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

1.13 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from or to third or related parties.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

SPEDITION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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

In the application of the company's accounting policies management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily ascertainable from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual outcomes may differ from these estimates.

The estimates and underlying assumptions are reviewed on an continuing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

There were no key judgements or estimation uncertainties in the application of the company's accounting policies during the year.

3. Turnover

The whole of the turnover is attributable to the one principal activity of the company being international freight forwarders.

All turnover arose within the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Exchange differences	<u>179,626</u>	<u>(11,811)</u>

5. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	<u>15,000</u>	<u>14,000</u>
	15,000	14,000

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

SPEDITION SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

6. Employees

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

	2019 £	2018 £
Wages and salaries	887,255	900,490
Social security costs	99,550	99,453
Cost of defined contribution scheme	23,632	19,434
	<u>1,010,437</u>	<u>1,019,377</u>

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

	2019 No.	2018 No.
Management and administration	30	28
Overseas employees	14	17
	<u>44</u>	<u>45</u>

7. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	57,640	76,500
	<u>57,640</u>	<u>76,500</u>

Yasmin Fazal and PSC Logistics SPRL (the ultimate holding company) are directors of the company. Yasmin received her remuneration for duties as director of Spedition Services Limited through the holding company. During the year PSC Logistics SPRL received £407,205 (2018 - £373,394) in fees from Spedition Services Limited.

SPEDITION SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

8. Interest receivable

	2019 £	2018 £
Other interest receivable	1,026	4,361
	<u>1,026</u>	<u>4,361</u>

9. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	-	1,387
	<u>-</u>	<u>1,387</u>

10. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	452,150	483,050
Adjustments in respect of previous periods	(73,620)	-
	<u>378,530</u>	<u>483,050</u>
 Total current tax	 <u>378,530</u>	 <u>483,050</u>

SPEDITION SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2018 - the same as) the standard rate of corporation tax in the UK of 19% (2018 - 19%) as set out below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>2,393,214</u>	<u>2,500,098</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	454,711	475,019
Effects of:		
Expenses not deductible for tax purposes	822	563
Capital allowances for year in excess of depreciation	(3,429)	7,451
Adjustments to tax charge in respect of prior periods	(73,574)	17
Total tax charge for the year	<u><u>378,530</u></u>	<u><u>483,050</u></u>

11. Dividends

	2019 £	2018 £
Dividends paid and proposed	<u>929,442</u>	<u>874,432</u>
	<u><u>929,442</u></u>	<u><u>874,432</u></u>

On 31 March 2019 the directors proposed a dividend of £929,442 (2018 - £874,432).

SPEDITION SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

12. Tangible fixed assets

	Land and buildings £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 April 2018	1,589,364	19,579	344,382	65,380	2,018,705
Additions	-	-	59,057	13,233	72,290
Disposals	-	-	(41,450)	-	(41,450)
At 31 March 2019	<u>1,589,364</u>	<u>19,579</u>	<u>361,989</u>	<u>78,613</u>	<u>2,049,545</u>
Depreciation					
At 1 April 2018	201,116	19,579	324,704	42,046	587,445
Charge for the year on owned assets	25,787	-	20,792	13,476	60,055
Disposals	-	-	(41,244)	-	(41,244)
At 31 March 2019	<u>226,903</u>	<u>19,579</u>	<u>304,252</u>	<u>55,522</u>	<u>606,256</u>
Net book value					
At 31 March 2019	<u>1,362,461</u>	<u>-</u>	<u>57,737</u>	<u>23,091</u>	<u>1,443,289</u>
At 31 March 2018	<u>1,388,248</u>	<u>-</u>	<u>19,678</u>	<u>23,334</u>	<u>1,431,260</u>

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

	2019 £	2018 £
Freehold	1,362,461	1,388,248
	<u>1,362,461</u>	<u>1,388,248</u>

SPEDITION SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

13. Fixed asset investments

	Other fixed asset investments £
Cost or valuation	
At 1 April 2018	112,196
Disposals	(2,057)
At 31 March 2019	<u>110,139</u>

Other investments are an interest in a unlisted Danish property company, Spedition Invest Aps. The cost of £112,196 is made up of share investments of £46,370 and loans of £65,826.

14. Debtors

	2019 £	2018 £
Due after more than one year		
Other debtors	6,447	-
	<u>6,447</u>	<u>-</u>
Due within one year		
Trade debtors	3,887,893	3,343,362
Other debtors	25,238	32,082
Prepayments and accrued income	100,798	106,585
	<u>4,013,929</u>	<u>3,482,029</u>

SPEDITION SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

15. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	6,027,991	5,526,906
	<u>6,027,991</u>	<u>5,526,906</u>

16. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	2,171,931	2,097,631
Corporation tax	103,761	63,050
Other taxation and social security	43,264	31,506
Other creditors	910,379	971,057
Accruals and deferred income	214,210	316,139
	<u>3,443,545</u>	<u>3,479,383</u>

17. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets that are debt instruments measured at cost	<u>3,965,830</u>	<u>3,424,805</u>
Financial liabilities		
Financial liabilities measured at cost	<u>(2,407,078)</u>	<u>(3,384,827)</u>

Financial assets measured at cost comprise trade debtors, loans, accrued income, staff loans and VAT repayable.

Financial liabilities measured at cost comprise trade creditors, directors current accounts, accruals and balances owed to customers.

SPEDITION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

18. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
90,000 (2018 - 90,000) Ordinary shares of £1.00 each	<u>90,000</u>	<u>90,000</u>

19. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £23,632 (2018 - £19,434). Contributions totalling £2,375 (2018 - £1,260) were payable to the fund at the balance sheet date and are included in creditors.

20. Related party transactions

Dividends of £929,442 (2018 - £874,432) were paid or proposed to be paid to the parent company at the end of the year.

PSC Logistics SPRL is a personal services company based in Belgium of which Yasmin Fazal is a director and owner. During the year PSC Logistics SPRL invoiced fees of £407,205 (2018 - £373,394) to the company. PSC Logistics SPRL is also a corporate director of the company.

SSL Benelux NV is considered a related party as a company wholly owned by PSC Logistics SPRL. During the year SSL Benelux NV made a charge to the company for £201,284 (2018 - £152,766).

21. Ultimate Holding Company and Controlling party

PSC Logistics SPRL, a company incorporated in Belgium is the immediate and ultimate parent company. The ultimate controlling party is Yasmin Fazal.