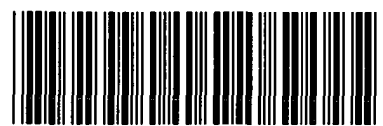


Registered number: 01487078

METRO SHIPPING LIMITED

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

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METRO SHIPPING LIMITED

COMPANY INFORMATION

| | |
|----------------------------|--|
| Directors | A White K Lake I R Liddell P Carlile |
| Company secretary | N K Brooks |
| Registered number | 01487078 |
| Registered office | 2700 The Crescent Birmingham Business Park Birmingham Essex B37 7YE |
| Independent auditor | Grant Thornton UK LLP Chartered Accountants & Senior Statutory Auditor Priory Place New London Road Chelmsford Essex CM2 0PP |

METRO SHIPPING LIMITED

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METRO SHIPPING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

Introduction

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

The principal activity of the Company during the year was that of shipping and forwarding agents.

Business review

The directors consider the profit achieved on ordinary trading activities before taxation for the period to 31 March 2019 to be particularly satisfactory given the difficult trading conditions. The Company has adequate resources to take advantage of future business opportunities and the directors consider the state of affairs to be more than satisfactory with expectations exceeded.

The Metro Group's combined turnover (including associates) for year ending March 2019 being £151,243,800 across its global Group companies showed significant growth over the last 12 months.

Principal risks and uncertainties

Whilst Brexit brings uncertainty, it also brings opportunity to the Metro Group which has unique capabilities to facilitate global trade and run dynamic supply chains to or from anywhere on the planet. The Company's principal financial instruments comprise cash with a strong cash flow and extremely healthy working capital management. The Company had various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The Company does not enter into derivative transactions.

It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company's financial instruments are liquidity risk, foreign currency risk, and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Liquidity risk

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets and profitably.

Foreign currency risk

The Company operates in the UK but can be exposed in its trading operations to the risk of changes in foreign currency exchange rates. The Company has decided not to use derivative instruments in its management of this risk.

Credit risk

The Company trades with only recognised, creditworthy third parties. It is Company policy that all customers who wish to trade on credit terms are subject to credit vetting procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

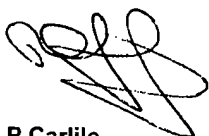
METRO SHIPPING LIMITED

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

Financial key performance indicators

The Company's key performance indicators are turnover and profit before tax as set out in the Statement of Comprehensive Income.

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



P Carlile
Director

Date: 10/12/2019

METRO SHIPPING 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.

Results and dividends

The profit for the year, after taxation, amounted to £9,151,866 (2018: £7,002,807).

Dividends declared during the year amounted to £Nil (2018: £6,000,000).

Directors

The directors who served during the year were:

A White
K Lake
I R Liddell
P Carlile

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 and 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Future developments

The Metro Group, which has a diverse range of services and facilities, will continue to invest in new supply chain technologies and efficiencies. The wider Group's recent growth has been attributable to growth across a number of its key verticals and sectors including in the UK, Asia and the US.

METRO SHIPPING LIMITED

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

Post balance sheet events

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

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors 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 auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK 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.



P Carlile
Director

Date: 10/12/2019



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METRO SHIPPING LIMITED

Opinion

We have audited the financial statements of Metro Shipping Limited (the 'Company') for the year ended 31 March 2019, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, 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 'Auditor's 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 UK, including the FRC'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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METRO SHIPPING LIMITED (CONTINUED)

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 Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions 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.

Matter on which we are required to report under the Companies Act 2006

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.

Matters on which we are required to report by exception

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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METRO SHIPPING LIMITED (CONTINUED)

Responsibilities of directors for the financial statements

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 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.

Auditor's 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 Auditor's 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 Auditor's 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 Auditor's 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.



James Brown LLB ACA
Senior statutory auditor
for and on behalf of Grant Thornton UK LLP
Senior Statutory Auditor, Chartered Accountants
Chelmsford
Date:

19 December 2019

METRO SHIPPING LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019**

| | Note | 2019 £ | 2018 £ |
|--|------|-------------------|-------------------|
| Turnover | 4 | 128,311,899 | 114,516,523 |
| Cost of sales | | (111,294,113) | (100,530,512) |
| Gross profit | | 17,017,786 | 13,986,011 |
| Administrative expenses | | (5,786,080) | (5,337,539) |
| Operating profit | 5 | 11,231,706 | 8,648,472 |
| Interest receivable and similar income | 9 | 108,101 | 62,760 |
| Interest payable and expenses | 10 | (23,687) | (67,854) |
| Profit before tax | | 11,316,120 | 8,643,378 |
| Tax on profit | 11 | (2,164,254) | (1,640,571) |
| Profit for the financial year | | 9,151,866 | 7,002,807 |

There was no other comprehensive income for 2019 (2018: £Nil).

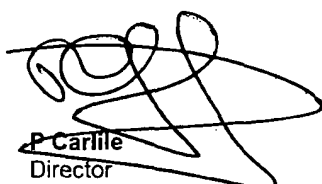
The notes on pages 11 to 24 form part of these financial statements.

METRO SHIPPING LIMITED
REGISTERED NUMBER: 01487078

BALANCE SHEET
AS AT 31 MARCH 2019

| | Note | 2019 £ | 2018 £ |
|--|------|-------------------|-------------------|
| Fixed assets | | | |
| Tangible assets | 13 | 176,276 | 244,852 |
| Investments | 14 | 8,846 | 8,846 |
| Investment property | 15 | 480,951 | 480,951 |
| | | <u>666,073</u> | <u>734,649</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 16 | 19,450,097 | 11,248,346 |
| Cash at bank and in hand | 17 | 16,755,981 | 13,729,603 |
| | | <u>36,206,078</u> | <u>24,977,949</u> |
| Creditors: amounts falling due within one year | 18 | (19,003,881) | (16,996,194) |
| Net current assets | | <u>17,202,197</u> | <u>7,981,755</u> |
| Total assets less current liabilities | | <u>17,868,270</u> | <u>8,716,404</u> |
| Net assets | | <u>17,868,270</u> | <u>8,716,404</u> |
| Capital and reserves | | | |
| Called up share capital | 20 | 100,000 | 100,000 |
| Profit and loss account | 21 | 17,768,270 | 8,616,404 |
| | | <u>17,868,270</u> | <u>8,716,404</u> |

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


P. Carlile
Director

10/12/2019

The notes on pages 11 to 24 form part of these financial statements.

METRO SHIPPING 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 2018 | 100,000 | 8,616,404 | 8,716,404 |
| Comprehensive income for the year | | | |
| Profit for the year | - | 9,151,866 | 9,151,866 |
| Total comprehensive income for the year | - | 9,151,866 | 9,151,866 |
| At 31 March 2019 | 100,000 | 17,768,270 | 17,868,270 |

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

| | Called up share capital £ | Profit and loss account £ | Total equity £ |
|--|---------------------------------|---------------------------------|-------------------|
| At 1 April 2017 | 100,000 | 7,613,597 | 7,713,597 |
| Comprehensive income for the year | | | |
| Profit for the year | - | 7,002,807 | 7,002,807 |
| Total comprehensive income for the year | - | 7,002,807 | 7,002,807 |
| Dividends | - | (6,000,000) | (6,000,000) |
| Total transactions with owners | - | (6,000,000) | (6,000,000) |
| At 31 March 2018 | 100,000 | 8,616,404 | 8,716,404 |

The notes on pages 11 to 24 form part of these financial statements.

METRO SHIPPING LIMITED

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

1. General information

Metro Shipping Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at 2700 The Crescent, Birmingham Business Park, Birmingham, B37 7YE.

The principal activity of the Company during the year was that of shipping and forwarding agents.

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 financial statements have been prepared in Sterling which is the functional currency of the Company.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirement of Section 7 Statement of Cash Flows;
- the requirements for Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosure paragraph 33.7.

This information is included in the consolidated financial statements of Metro Global Holdings Limited as 31 March 2019 and these financial statements may be obtained from Companies House.

2.3 Going concern

The directors have considered the cash flow requirements of the Company; which is profitable and are confident that the Company has sufficient resources available to it to enable it to pay its debts in full as the fall due. Accordingly, the financial statements have been prepared on a going concern basis.

METRO SHIPPING LIMITED

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

2. Accounting policies (continued)

2.4 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 discounts, rebates, value added tax and other sales taxes. Revenue is recognised on fulfilment of the company's obligations. For imports revenue is recognised when goods arrive in the UK. For exports revenue is recognised when goods leave the UK.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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:

| | |
|-----------------------|---------------------|
| Motor vehicles | - 25% straight line |
| Fixtures and fittings | - 20% 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 Comprehensive Income.

2.6 Investment property

Investment property is carried at fair value and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

2.7 Valuation of investments

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.8 Debtors

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

METRO SHIPPING LIMITED

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

2. Accounting policies (continued)

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 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 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. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Statement of Comprehensive Income.

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 balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet 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.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

METRO SHIPPING LIMITED

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

2. Accounting policies (continued)

2.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income, within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income, within administrative expenses.

2.13 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

2.14 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.

2.15 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 Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

METRO SHIPPING LIMITED

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

2. Accounting policies (continued)

2.16 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet 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 Balance Sheet.

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

METRO SHIPPING LIMITED

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

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for the assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following item is the judgement that has had the most significant effect on amounts recognised in the financial statements and the key sources of estimation uncertainty.

Purchase reserve accrual

This accrual represents the estimated costs incurred for services which the Company has performed and recognised revenue for where an invoice from a supplier has not yet been received. The estimate is based on previous costs incurred. Any accruals that have not become realised within 18 months from the date of shipping are written off to the Statement of Comprehensive income.

4. Turnover

The whole of the turnover is attributable to the principal activity of the Company.

Analysis of turnover by country of destination:

| | 2019 £ | 2018 £ |
|-------------------|--------------------|--------------------|
| United Kingdom | 105,265,370 | 90,483,123 |
| Rest of Europe | 10,446,161 | 13,571,205 |
| Rest of the world | 12,600,368 | 10,462,195 |
| | <u>128,311,899</u> | <u>114,516,523</u> |

5. Operating profit

The operating profit is stated after charging:

| | 2019 £ | 2018 £ |
|---------------------------------------|-----------|-----------|
| Depreciation of tangible fixed assets | 68,576 | 112,667 |
| Exchange differences | 8,080 | 29,936 |
| Defined contribution pension cost | 86,692 | 53,093 |
| | <u></u> | <u></u> |

METRO SHIPPING LIMITED

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

6. Auditor's remuneration

| | 2019 £ | 2018 £ |
|---|---------------|---------------|
| Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements | <u>16,500</u> | <u>16,750</u> |
| Fees payable to the Company's auditor and its associates in respect of: | | |
| Accounts preparation fees | 1,500 | - |
| Other services relating to taxation | <u>3,390</u> | <u>3,390</u> |

7. Employees

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

| | 2019 £ | 2018 £ |
|-------------------------------------|------------------|------------------|
| Wages and salaries | 4,835,056 | 4,329,425 |
| Social security costs | 523,105 | 449,340 |
| Cost of defined contribution scheme | 86,692 | 60,183 |
| | <u>5,444,853</u> | <u>4,838,948</u> |

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

| | 2019 No. | 2018 No. |
|--|-------------|-------------|
| Shipping, IT, sales and administration | <u>154</u> | <u>135</u> |

METRO SHIPPING LIMITED

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

8. Directors' remuneration

| | 2019 | 2018 |
|---|----------------|----------------|
| | £ | £ |
| Directors' emoluments | 816,106 | 735,654 |
| Company contributions to defined contribution pension schemes | 8,407 | 7,089 |
| | 824,513 | 742,743 |

During the year retirement benefits were accruing to 3 directors (2018: 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £371,405 (2018: £340,016).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,207 (2018: £391)

9. Interest receivable

| | 2019 | 2018 |
|---------------------------|----------------|-------------|
| | £ | £ |
| Other interest receivable | 108,101 | 62,760 |

10. Interest payable and similar expenses

| | 2019 | 2018 |
|--|---------------|---------------|
| | £ | £ |
| Finance leases and hire purchase contracts | 2,467 | 2,878 |
| Interest on overdue tax | 21,220 | 64,976 |
| | 23,687 | 67,854 |

METRO SHIPPING LIMITED

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

11. Taxation

| | 2019 £ | 2018 £ |
|--|------------------|------------------|
| Corporation tax | | |
| Current tax on profits for the year | 2,116,256 | 1,658,666 |
| Adjustments in respect of previous periods | 34,215 | (23,248) |
| | <u>2,150,471</u> | <u>1,635,418</u> |
| Total current tax | <u>2,150,471</u> | <u>1,635,418</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | 44,647 | 2,786 |
| Adjustments in respect of previous periods | (30,864) | 2,367 |
| | <u>13,783</u> | <u>5,153</u> |
| Total deferred tax | <u>13,783</u> | <u>5,153</u> |
| Taxation on profit on ordinary activities | <u>2,164,254</u> | <u>1,640,571</u> |

METRO SHIPPING LIMITED

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

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

| | 2019 £ | 2018 £ |
|---|-------------------|------------------|
| Profit on ordinary activities before tax | <u>11,316,120</u> | <u>8,643,378</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%) | 2,150,063 | 1,642,242 |
| Effects of: | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | 16,099 | 19,348 |
| Fixed asset differences | - | 190 |
| Adjustments to tax charge in respect of prior periods | 34,215 | (23,248) |
| Adjustments to deferred tax charge in respect of prior periods | (30,864) | 2,367 |
| Effect of change in tax rate on deferred tax | (5,253) | (328) |
| Group relief | (6) | - |
| Total tax charge for the year | <u>2,164,254</u> | <u>1,640,571</u> |

12. Dividends

| | 2019 £ | 2018 £ |
|-----------|-----------|------------------|
| Dividends | <u>-</u> | <u>6,000,000</u> |

METRO SHIPPING LIMITED

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

13. Tangible fixed assets

| | Motor vehicles £ | Fixtures & fittings £ | Total £ |
|-------------------------------------|------------------------|-----------------------------|------------------|
| Cost | | | |
| At 1 April 2018 | 223,904 | 1,573,232 | 1,797,136 |
| Disposals | (20,170) | - | (20,170) |
| At 31 March 2019 | <u>203,734</u> | <u>1,573,232</u> | <u>1,776,966</u> |
| Depreciation | | | |
| At 1 April 2018 | 50,863 | 1,501,421 | 1,552,284 |
| Charge for the year on owned assets | 39,896 | 28,680 | 68,576 |
| Disposals | (20,170) | - | (20,170) |
| At 31 March 2019 | <u>70,589</u> | <u>1,530,101</u> | <u>1,600,690</u> |
| Net book value | | | |
| At 31 March 2019 | <u>133,145</u> | <u>43,131</u> | <u>176,276</u> |
| At 31 March 2018 | <u>173,041</u> | <u>71,811</u> | <u>244,852</u> |

14. Fixed asset investments

| | Listed investments £ |
|--------------------------|----------------------------|
| Cost or valuation | |
| At 1 April 2018 | 8,846 |
| At 31 March 2019 | <u>8,846</u> |

METRO SHIPPING LIMITED

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

15. Investment property

| | Freehold investment property £ |
|------------------|---|
| Valuation | |
| At 1 April 2018 | 480,951 |
| At 31 March 2019 | <u>480,951</u> |

16. Debtors

| | 2019 £ | 2018 £ |
|------------------------------------|-------------------|-------------------|
| Trade debtors | 12,975,467 | 10,758,632 |
| Amounts owed by group undertakings | 6,018,410 | 18,410 |
| Amounts owed by related parties | - | 2,562 |
| Other debtors | 123,959 | 155,661 |
| Prepayments and accrued income | 320,878 | 287,915 |
| Deferred taxation | 11,383 | 25,166 |
| | <u>19,450,097</u> | <u>11,248,346</u> |

17. Cash and cash equivalents

| | 2019 £ | 2018 £ |
|--------------------------|-------------------|-------------------|
| Cash at bank and in hand | <u>16,755,981</u> | <u>13,729,603</u> |

METRO SHIPPING LIMITED

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

18. Creditors: Amounts falling due within one year

| | 2019 £ | 2018 £ |
|---|-------------------|-------------------|
| Trade creditors | 15,079,652 | 14,109,124 |
| Corporation tax | 2,155,944 | 1,584,237 |
| Other taxation and social security | 135,908 | 126,545 |
| Obligations under finance lease and hire purchase contracts | 41,659 | 46,951 |
| Other creditors | 1,590,718 | 1,129,337 |
| | <u>19,003,881</u> | <u>16,996,194</u> |

19. Deferred taxation

| | 2019 £ | 2018 £ |
|---------------------------|---------------|---------------|
| At beginning of year | 25,166 | 30,319 |
| Charged to profit or loss | (13,783) | (5,153) |
| At end of year | <u>11,383</u> | <u>25,166</u> |

The deferred tax asset is made up as follows:

| | 2019 £ | 2018 £ |
|-------------------------------------|---------------|---------------|
| Fixed asset timing differences | 11,383 | 6,466 |
| Other short term timing differences | - | 18,700 |
| | <u>11,383</u> | <u>25,166</u> |

METRO SHIPPING LIMITED

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

20. Share capital

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Authorised, allotted, called up and fully paid | | |
| 100,000 Called-up equity share capital shares of £1 each | <u>100,000</u> | <u>100,000</u> |

Share capital represents the nominal value of shares that have been issued. The shares carry voting rights and the entitlement to dividends.

21. Reserves

Profit & loss account

This reserve includes all current and prior period retained profits and losses.

22. Related party transactions

Included in creditors is an amount of £2,600 owed to James Kemball Limited, a company owned by Uniserve Holdings Limited who also own Metro Global Holdings Limited. An amount of £1,100 (2018: £5,608) was owing to Uniserve Limited, a company owned by Uniserve Holdings Limited who also own Metro Global Holdings Limited. During the year the company made purchases of £12,600 (2018: £3,615) from Uniserve Limited, £41,700 from James Kemball Limited, £Nil (2018: £4,005) from Uniserve Holdings Limited, the parent Company, and £Nil (2018: £44,894) from Birmingham Business Property LLP, a company under common control. During the year the company made sales of £7,028,956 to Fracht UK Limited (2018: £Nil).

Management charges of £625,397 (2018: £565,597) were charged to Elite Logistics Consultants (GB) Limited, and £323,016 (2018: £208,641) were charged to Fracht UK Limited, at the year end a balance of £Nil was owed to Fracht UK Limited. Elite Logistics Consultants (GB) Limited is a 49% owned associate company with common directors Iain Liddell and Paul Carlile. Fracht UK Limited is a company with common directors Iain Liddell and Paul Carlile.

The Company has taken advantage of the exemption under Section 33 of FRS 102 not to disclose transactions with other group companies where 100% of the company's voting rights are controlled within the group.

23. Controlling party

The Company is 100% owned by Metro Global Holdings Limited of which Uniserve Holdings Limited owns 50% (2018: 50%) and Paul Carlile owns 50% (2018: 50%). The consolidated financial statements of Metro Global Holdings Limited are publicly available from the company's registered office at Upminster Court, 133 Hall Lane, Upminster, Essex, RM14 1AL.