

SBS Worldwide Limited

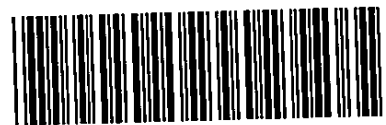
Report and Financial Statements

Year Ended

31 December 2010

Company Number 1739816

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SBS Worldwide Limited

Report and financial statements for the year ended 31 December 2010

Contents

Page:

1	Chairman's statement
2	Report of the directors
5	Independent auditor's report
7	Consolidated profit and loss account
8	Consolidated statement of total recognised gains and losses
9	Consolidated balance sheet
10	Company balance sheet
11	Consolidated cash flow statement
12	Notes forming part of the financial statements

Directors

S Black
S Walker
N Walker
D Weitzmann
G Gillo

Secretary and registered office

S Maloney, SBS Cargo Centre, Anchor Boulevard, Crossways Business Park, Dartford, Kent, DA2 6SB

Company number

1739816

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

SBS Worldwide Limited

Chairman's statement for the year ended 31 December 2010

Our new trading year to 31 December 2010 has seen us continue to grow our market sectors, trade lanes and vertical markets. During 2009 the Board invested in its infrastructure, growing and developing our core management team, focusing particularly in our USA operations. I am pleased to report that these structural investments have created a renewed focus on business development and this has resulted in the Group achieving sales for the 12 months to December of £56.3m and gross profit of £13.98m. This represents growth of 29% and 6% on the prior 12 month period respectively. The US operation achieved an impressive 50% uplift on its 2009 revenues and the UK a respectable 24%. Whilst a proportion of this increase is due to the rise in freight rates, the underlying trends are increased business activity and growth in our customer base.

I am pleased to report that this positive performance has continued into 2011 with first quarter results delivering further growth.

The business, along with others in our industry, have felt the pressures on margins throughout 2010 due to increased ocean and air freight rates and ever increasing fuel surcharges. The reduction in the gross profit margin to 25% is in part a reflection of this, also due to the change in mix of our business, and the obvious competitive pressures.

The Board have continued its investment in its corporate structures in both the UK and US businesses. During this period SBS has appointed Managing Directors (MDs) for the UK and USA, to ensure the strategy and aims of SBS have local management focus.

The drive to deliver value added services continues and is reflected in the Groups' approach to evolve from being a consolidator and forwarder of cargo to a supply chain operation with our key SBS markets of UK, USA and Asia. The consultative arm of Virtualized Logistics, who use our bespoke software eDC to open international opportunities at corporate level, is viewed as a critical part of our future growth.

The managements' structure of the company is being prepared for a two year realignment of the business for a 2011-12 drive to meet the demands of an aggressive business plan.

The Company, through its Board of Directors will continue to ensure the disciplines, resources, focus and structures are all in place and further developed to ensure that the business continues to deliver growth and success.

We continue to pride ourselves on our reputation for providing a high level of service, including a rapid and flexible response to customers' requirements. We have established core values from the outset which have played a significant part in the foundation of the company's success and support our aim to provide an outstanding customer experience. In support of our key objectives, we have developed a Customer Service Charter which sets out the assurances to our customers about the level of service we provide.

The Company continues to invest in its people and its service offerings to its diverse customer base. This investment and innovation was recognised during 2010 when SBS received the Freight Forwarder of the Year Award from the IFW and in January 2011 when BIFA recognised SBS with its Ocean Freight Award.

On behalf of the Board, I would like to thank our staff, management, business associates and customers for their continuing support.

S Walker
Chairman

Date 1 June 2011

SBS Worldwide Limited

Report of the directors for the year ended 31 December 2010

The directors present their report together with the audited financial statements for the year ended 31 December 2010

Results and dividends

The profit and loss account is set out on page 7 and shows the profit for the year

Principal activities, trading review and future developments

The principal activities of the group are shipping, international freight forwarding, warehousing and distribution. It also offers courier services to corporate customers as well as project management and logistics. During the year the company provided additional services to the publishing industry in becoming an integral part of customers' supply chain, lowering costs and providing a value added service.

The results for the year and financial position at the balance sheet date were considered satisfactory by the directors with the group experiencing strong sales growth and maintaining a reasonable margin in what is a very tough market place.

The directors recommend a final ordinary dividend amounting to £ 300,000 (2009 - £300,000). An interim dividend of £Nil (2009 - £370,000) was paid in the year.

The directors look forward to further growth in sales and are optimistic about the group's future prospects.

Principal risks and uncertainties

The group limits its risk exposure by operating in a diverse range of manufacturing and retail sectors and reliance is not placed on any one specific customer. It also buys a range of services through over 1,500 suppliers each month, both in the UK and Worldwide. The group is required to maintain certain key performance targets and the Directors review actual performance against these targets on a regular basis to mitigate risks arising out of the group's activities.

SBS Worldwide Limited

Report of the directors for the year ended 31 December 2010 (continued)

Credit risk

Customers wishing to trade on credit terms are subjected to strict verification procedures using credit rating agencies. Receivable balances are monitored on a continual basis and provision is made for doubtful debts where necessary. Investments of cash surpluses are made through financial institutions which fulfil credit rating criteria approved by the Board.

Employment policies

The group is an equal opportunity employer and bases employment decisions on individual ability regardless of race, religion, gender, age or disability. Employees are kept informed of the financial and economic performance of the group through regular briefings and consultation.

Directors

The directors of the company during the year were

S Black
S Walker
N Walker
M C Clark (resigned 4 March 2010)
D Weitzmann (appointed 1 December 2010)
G Gillo

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 elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company and of the profit or loss of the group for that year.

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,
- applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

SBS Worldwide Limited

Report of the directors for the year ended 31 December 2010 (*continued*)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.


On behalf of the Board

N Walker

Director

Date 1 June 2011

SBS Worldwide Limited

Independent auditor's report

TO THE MEMBERS OF SBS WORLDWIDE LIMITED

We have audited the financial statements of SBS Worldwide Limited for the year ended 31 December 2010 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses, 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).

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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2010 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters 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.

SBS Worldwide Limited

Independent auditor's report (*continued*)

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

BDO LLP

Sophia Hill, (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Office Location
United Kingdom

Date 1 June 2011

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

SBS Worldwide Limited

Consolidated profit and loss account for the year ended 31 December 2010

	Note	Year ended 31 December 2010 £	18 months ended 31 December 2009 £
Turnover	2	56,258,600	65,642,392
Cost of sales		(42,277,999)	(45,786,763)
Gross profit		13,980,601	19,855,629
Administrative expenses		(13,508,841)	(17,877,287)
Other income		38,705	161,065
Operating profit	5	510,465	2,139,407
Interest receivable	6	10,960	71,252
Interest payable and similar charges	7	(7,171)	(88,941)
Profit on ordinary activities before taxation		514,254	2,121,718
Taxation on profit from ordinary activities	8	(149,822)	(1,092,430)
Profit on ordinary activities after taxation	18	364,432	1,029,288

All amounts relate to continuing activities

The notes on pages 12 to 27 form part of these financial statements

SBS Worldwide Limited

Consolidated statement of total recognised gains and losses for the year ended 31 December 2010

	Year ended 31 December 2010 £	18 months ended 31 December 2009 £
Profit on ordinary activities after taxation	364,432	1,029,288
Currency translation differences on foreign currency net investments	16,373	41,818
	<hr/>	<hr/>
Total gains and losses relating to the period	380,805	1,071,106
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The notes on pages 12 to 27 form part of these financial statements

SBS Worldwide Limited

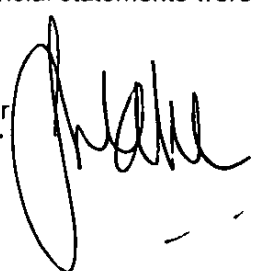
Consolidated balance sheet at 31 December 2010

<i>Company number 1739816</i>	<i>Note</i>	<i>2010</i> £	<i>2010</i> £	<i>2009</i> £	<i>2009</i> £
Fixed assets					
Tangible assets	10		822,252		678,281
Investments	11		-		112
			<u>822,252</u>		<u>678,393</u>
Current assets					
Debtors	12	8,289,262		7,293,436	
Cash at bank and in hand		4,324,462		3,774,931	
		<u>12,613,724</u>		<u>11,068,367</u>	
Creditors: amounts falling due within one year	13	(9,236,845)		(7,637,687)	
		<u></u>		<u></u>	
Net current assets			3,376,879		3,430,680
Total assets less current liabilities			<u>4,199,131</u>		<u>4,109,073</u>
Creditors: amounts falling due after more than one year	14		-		(5,747)
Provisions for liabilities	15		(480,000)		(465,000)
			<u></u>		<u></u>
Net assets			<u>3,719,131</u>		<u>3,638,326</u>
Capital and reserves					
Called up share capital	17		120,479		120,479
Share premium account	18		7,500		7,500
Other reserves	18		11		11
Capital redemption reserve	18		89,521		89,521
Profit and loss account	18		3,501,620		3,420,815
			<u>3,719,131</u>		<u>3,638,326</u>
Shareholders' funds			<u>3,719,131</u>		<u>3,638,326</u>

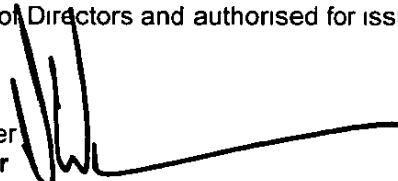
The financial statements were approved by the Board of Directors and authorised for issue on

1 June 2011

S Walker
Director



N Walker
Director



The notes on pages 12 to 27 form part of these financial statements

SBS Worldwide Limited

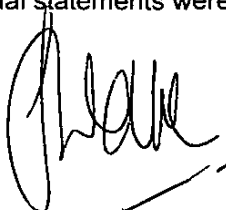
Company balance sheet at 31 December 2010

Company number 1739816	Note	2010 £	2010 £	2009 £	2009 £
Fixed assets					
Tangible assets	10		604,141		445,543
Investments	11		5		117
			<hr/>		<hr/>
			604,146		445,660
Current assets					
Debtors	12	5,244,421		4,831,464	
Cash at bank and in hand		3,966,402		3,687,950	
		<hr/>		<hr/>	
		9,210,823		8,519,414	
Creditors: amounts falling due within one year	13	(6,532,487)		(5,679,318)	
		<hr/>		<hr/>	
Net current assets			2,678,336		2,840,096
			<hr/>		<hr/>
Total assets less current liabilities			3,282,482		3,285,756
			<hr/>		<hr/>
Creditors: amounts falling due after more than one year	14		-		(5,747)
Provisions for liabilities	15		(480,000)		(465,000)
			<hr/>		<hr/>
Net assets			2,802,482		2,815,009
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	17		120,479		120,479
Share premium account	18		7,500		7,500
Capital redemption reserve	18		89,521		89,521
Profit and loss account	18		2,584,982		2,597,509
			<hr/>		<hr/>
Shareholders' funds			2,802,482		2,815,009
			<hr/>		<hr/>

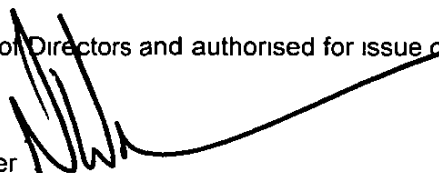
The financial statements were approved by the Board of Directors and authorised for issue on

1 June 2011

S Walker
Director



N Walker
Director



The notes on pages 12 to 27 form part of these financial statements

SBS Worldwide Limited

Consolidated cash flow statement for the year ended 31 December 2010

	Note	Year ended 31 December 2010 £	Year ended 31 December 2010 £	18 months ended 31 December 2009 £	18 months ended 31 December 2009 £
Net cash inflow from operating activities	22		1,524,154		2,576,580
Returns on investments and servicing of finance					
Interest received		10,960		71,252	
Interest paid		(5,858)		(82,704)	
Rental payments		(1,313)		(6,237)	
Net cash inflow from returns on investments and servicing of finance			3,789		(17,689)
Taxation			(147,812)		(827,904)
Capital expenditure					
Payments to acquire tangible fixed assets			(494,958)		(548,825)
Equity dividends paid			(300,000)		(670,000)
Net cash inflow before use of liquid resources and financing			585,173		512,162
Financing					
Capital element of finance lease contracts			(35,641)		(49,194)
Increase in cash	24		549,532		462,968

The notes on pages 12 to 27 form part of these financial statements

SBS Worldwide Limited

Notes forming part of the financial statements for the year ended 31 December 2010

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and are in accordance with applicable accounting standards

The following principal accounting policies have been applied

Turnover

Turnover represents the amounts receivable for services provided net of value added tax

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. No profit and loss account is presented for the company, as provided by section 408 of the companies Act 2006. The company's profit for the financial period determined in accordance with the Act was £287,473 (period ended 31 December 2009 – profit of £550,922)

Basis of consolidation

The group profit and loss account and balance sheet consist of the financial statements of the parent company and its subsidiary undertakings. Inter-group sales and profit are eliminated fully on consolidation.

Investments

Fixed asset investments are stated at cost less provision for impairment

Depreciation

Depreciation on fixed assets is provided at rates estimated to write off the cost, less estimated residual value of each asset, over its expected useful life, as follows

Leasehold improvements	-	Straight line over the life of the lease, between 3 and 20 years
Fixtures and fittings	-	20% reducing balance
Computer equipment and software	-	25% straight line

Finance leases

Assets obtained under finance leases are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the group.

Obligations under such agreements are included in creditors net of the 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.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on a straight line basis, over the lease term.

SBS Worldwide Limited

Notes forming part of the financial statements for the year ended 31 December 2010 (continued)

1 Accounting policies (continued)

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Gains and losses arising from trading transactions are disclosed as part of 'administrative expenses' and are taken into account in arriving at the operating profit. Those gains and losses arising from arrangements which are considered as financing are disclosed separately as part of interest receivable and similar income or interest payable and similar charges, as appropriate.

The financial statements of foreign subsidiaries are translated into sterling at the closing rates of exchange and the differences arising from the translation of the opening net investment in subsidiaries at the closing rate are taken directly to reserves.

Deferred taxation

In accordance with FRS19, deferred tax is 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 the company anticipates sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. The deferred tax balance has not been discounted.

Pensions

The group operates a money purchase pension scheme for the directors and certain staff. Contributions are charged to the profit and loss account as they are paid.

2 Turnover

The turnover and pre-tax result are mainly attributable to the group's principal activity.

The directors are of the opinion that it would be prejudicial to the interests of the group to disclose the values of turnover attributable to each separate geographical market.

3 Employees

	Year ended 31 December 2010 £	18 months ended 31 December 2009 £
Staff costs consist of		
Wages and salaries	8,351,191	10,755,388
Social security costs	715,672	1,044,821
Other pension costs	87,193	221,642
	9,154,056	12,021,851

SBS Worldwide Limited

Notes forming part of the financial statements for the year ended 31 December 2010 (continued)

3 Employees (continued)

The average number of employees, including directors, during the year was

	Year ended 31 December 2010 Number	18 months ended 31 December 2009 Number
Office and management	201	196

4 Directors

	Year ended 31 December 2010 £	18 months ended 31 December 2009 £
Directors' remuneration consist of		
Emoluments	827,855	1,244,744
Pension contributions	-	58,864
	827,855	1,303,608

Included in the above emoluments, excluding pension contributions,
paid to

Highest paid director	358,759	484,298
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Keswick Enterprises Ltd were paid £70,992 in 2010 (2009 - £11,862) in respect of services provided by Mr G Gillo as a director of the company

No directors accrue benefits under a money purchase pension scheme to which Nil contributions were paid in during the year (2009 - 3)

Money purchase pension contributions paid in respect of the highest paid director were £Nil (2009 - £21,932)

SBS Worldwide Limited

Notes forming part of the financial statements for the year ended 31 December 2010 (continued)

5 Operating profit

	Year ended 31 December 2010 £	18 months ended 31 December 2009 £
This has been arrived at after charging/(crediting)		
Depreciation of tangible fixed assets	354,537	488,983
Audit fee - group		
Previous auditors	3,665	85,286
Current auditors	62,557	114,054
Audit fee - company		
Previous auditors	3,665	61,365
Current auditors	28,528	104,719
Auditor's remuneration - non-audit services		
Previous auditors	-	73,615
Current auditors	534,850	10,000
Operating leases - other	829,866	1,062,959
Foreign exchange differences	4,355	(191,218)
	<hr/>	<hr/>

6 Interest receivable

	Year ended 31 December 2010 £	18 months ended 31 December 2009 £
Bank interest	10,960	71,252
Profit on foreign exchange	-	-
	<hr/>	<hr/>
	10,960	71,252
	<hr/>	<hr/>

7 Interest payable and similar charges

	Year ended 31 December 2010 £	18 months ended 31 December 2009 £
Interest payable on bank loans and overdrafts wholly repayable within 5 years	3,646	11,704
Interest on other loans	2,515	71,000
Lease finance charges	1,010	6,237
	<hr/>	<hr/>
	7,171	88,941
	<hr/>	<hr/>

SBS Worldwide Limited

Notes forming part of the financial statements
for the year ended 31 December 2010 (continued)

8 Taxation on profit from ordinary activities

	Year ended 31 December 2010 £	18 months ended 31 December 2009 £
<i>Current tax</i>		
UK corporation tax on profits of the year	124,360	463,307
Adjustment in respect of previous years	(89)	316,022
Foreign tax	25,551	286,745
Foreign tax in respect of previous years	-	13,486
Total current tax	149,822	1,079,560
<i>Deferred tax</i>		
Deferred tax charge	-	12,870
	149,822	1,092,430

The tax assessed for the year is higher than the standard rate of corporation tax in the UK The differences are explained below

	Year ended 31 December 2010 £	18 months ended 31 December 2009 £
Profit on ordinary activities before tax	514,254	2,121,719
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2009 - 28%)	143,991	594,081
Effects of		
Expenses not deductible for tax purposes	(595)	94,881
Depreciation in excess of capital allowances	(7,923)	(10,665)
Adjustment to tax charge in respect of previous years	(20,623)	329,452
Other short term timing differences	20,553	(3,441)
Other foreign tax adjustments	19,389	75,252
Marginal relief	(4,970)	-
Current tax charge for year	149,822	1,079,560

SBS Worldwide Limited

Notes forming part of the financial statements for the year ended 31 December 2010 (*continued*)

9 Dividends

	Year ended 31 December 2010 £	18 months ended 31 December 2009 £
Final ordinary dividend paid in respect of the prior year	300,000	320,000
Interim ordinary dividend paid in respect of the current year	-	350,000
	300,000	670,000

10 Tangible assets

Group	Leasehold improvements £	Computer equipment and software £	Fixtures, fittings and equipment £	Total £
<i>Cost or valuation</i>				
At 1 January 2010	54,920	1,648,821	777,813	2,481,554
Additions	2,471	460,051	32,436	494,958
Disposals	-	(2,810)	-	(2,810)
Difference on exchange	261	18,390	6,910	25,561
At 31 December 2010	57,652	2,124,452	817,159	2,999,263
<i>Depreciation</i>				
At 1 January 2010	54,920	1,125,010	623,343	1,803,273
Charge for the year	-	299,508	55,029	354,537
Disposals	-	(556)	-	(556)
Difference on exchange	261	13,809	5,687	19,757
At 31 December 2010	55,181	1,437,771	684,059	2,177,011
<i>Net book value</i>				
At 31 December 2010	2,471	686,681	133,100	822,252
At 31 December 2009	-	523,811	154,470	678,281

Included above on computer equipment and software are assets held under finance leases or hire purchase contracts of £12,662 (2009 - £37,986)

SBS Worldwide Limited

Notes forming part of the financial statements
for the year ended 31 December 2010 (*continued*)

10 Tangible assets (*continued*)

Company	Leasehold improvements £	Computer equipment and software £	Fixtures, fittings and equipment £	Total £
<i>Cost or valuation</i>				
At 1 January 2010	44,100	913,879	501,576	1,459,555
Additions	2,472	350,370	19,159	372,001
Disposals	-	(2,810)	-	(2,810)
At 31 December 2010	46,572	1,261,439	520,735	1,828,746
<i>Depreciation</i>				
At 1 January 2010	44,100	574,658	395,254	1,014,012
Charge for the year	-	184,512	26,637	211,149
Disposals	-	(556)	-	(556)
At 31 December 2010	44,100	758,614	421,891	1,224,605
<i>Net book value</i>				
At 31 December 2010	2,472	502,825	98,844	604,141
At 31 December 2009	-	339,221	106,322	445,543

11 Fixed asset investments

Group	Other shares £
<i>Cost</i>	
At 1 January 2010	112
Impairment of investments during the period	(112)
At 31 December 2010	-
<i>Company</i>	
<i>Cost and Net book value</i>	
At 1 January 2010	117
Impairment of investments during the period	(112)
At 31 December 2010	5

SBS Worldwide Limited

Notes forming part of the financial statements
for the year ended 31 December 2010 (continued)

11 Fixed asset investments (continued)

The company holds more than 20% of the following

Name	Country of registration or incorporation	Class	Shares held
S Black (Shipping) Limited	England and Wales	Ordinary	100%
Commercial Transport Incorporation (Europe) Limited	England and Wales	Ordinary	50%
SBS Worldwide Inc	USA	Ordinary	100%
Bookshippers Worldwide Inc	USA	Ordinary	100%

Voting rights for each subsidiary are in line with the percentage held

The aggregate amount of capital and reserve and the results of these undertakings for the last relevant financial year were as follows

	Principal activity	Capital and reserves period ended 31 December 2010 £	Profit 2010 £
S Black (Shipping) Limited	Dormant	2	-
Commercial Transport International (Europe) Limited	Dormant	2	-
SBS Worldwide Inc	Shipping and forwarding	931,812	62,646
Bookshippers Worldwide Inc	Dormant	2	-
SBS Worldwide (Holdings) Limited	Dormant	2	-
		<hr/>	<hr/>

12 Debtors

	Group 2010 £	Group 2009 £	Company 2010 £	Company 2009 £
Trade debtors	7,833,435	6,818,260	4,656,115	4,476,403
Amounts owed by group undertakings	-	-	254,043	-
Other debtors	214,774	120,834	180,278	80,265
Prepayments and accrued income	215,569	328,858	130,376	251,187
Deferred tax asset	25,484	25,484	23,609	23,609
	<hr/>	<hr/>	<hr/>	<hr/>
	8,289,262	7,293,436	5,244,421	4,831,464
	<hr/>	<hr/>	<hr/>	<hr/>

SBS Worldwide Limited

Notes forming part of the financial statements
for the year ended 31 December 2010 (*continued*)

12 Debtors (*continued*)

Amounts falling due after more than one year and included in debtors above are

	Group 2010 £	Group 2009 £	Company 2010 £	Company 2009 £
Deferred tax asset	25,484	25,484	23,609	23,609

13 Creditors: amounts falling due within one year

	Group 2010 £	Group 2009 £	Company 2010 £	Company 2009 £
Trade creditors	4,044,771	3,816,958	1,700,681	2,451,821
Amounts owed by group undertakings	-	-	703,374	24,702
Corporation tax	537,782	611,606	435,502	439,298
Social security and other taxes	1,992,855	1,577,247	1,659,081	1,577,547
Accruals and deferred income	2,655,690	1,596,234	2,028,102	1,150,308
Finance lease obligations	5,747	35,642	5,747	35,642
	9,236,845	7,637,687	6,532,487	5,679,318

14 Creditors: amounts falling due after more than one year

	Group 2010 £	Group 2009 £	Company 2010 £	Company 2009 £
Finance lease obligations	-	5,747	-	5,747
	-	5,747	-	5,747
<i>Net obligations under finance leases</i>				
Repayable within 1 year	5,747	-	5,747	-
Repayable after 1 and up to 5 years	-	5,747	-	5,747
	5,747	5,747	5,747	5,747
Included in liabilities falling due within one year	(5,747)	-	(5,747)	-
	-	5,747	-	5,747

SBS Worldwide Limited

Notes forming part of the financial statements
for the year ended 31 December 2010 (continued)

15 Provisions for liabilities

	Group £	Company £
Dilapidations provision		
At 1 January 2010	465,000	465,000
Charge for the year	15,000	15,000
	<hr/>	<hr/>
At 31 December 2010	480,000	480,000
	<hr/>	<hr/>

16 Deferred tax asset

	Group 2010 £	Group 2009 £
Movements on the deferred taxation asset are as follows		
At 1 January 2010	25,484	34,777
Current year deferred tax credit/(charge) (note 8)	-	(23,963)
Adjustment for the prior year	-	11,092
Difference on exchange	-	3,578
	<hr/>	<hr/>
At 31 December 2010	25,484	25,484
	<hr/>	<hr/>
Deferred tax asset/(liability) relates to		
Deprecation in excess of capital allowances	(10,158)	(10,158)
Other short term timing differences	35,642	35,642
	<hr/>	<hr/>
	25,484	25,484
	<hr/>	<hr/>

SBS Worldwide Limited

Notes forming part of the financial statements
for the year ended 31 December 2010 (*continued*)

17 Share capital

	Allotted, called up and fully paid			
	2010 Number	2009 Number	2010 £	2009 £
Ordinary shares of £1 each	75,000	75,000	75,000	75,000
Deferred shares of £1 each	45,479	45,479	45,479	45,479
	<u>120,479</u>	<u>120,479</u>	<u>120,479</u>	<u>120,479</u>

SBS Worldwide Limited

Notes forming part of the financial statements
for the year ended 31 December 2010 (continued)

18 Shareholders' funds									
(a)	Group		Share capital	Share premium	Other reserves	Capital redemption reserve	Profit and loss account	Total	
	2010	£	£	£	£	£	£	£	
	At 1 January 2010	120,479	7,500	11	89,521	3,420,815	3,638,326		
	Profit for the year	-	-	-	-	364,432	364,432		
	Dividends	-	-	-	-	(300,000)	(300,000)		
	Foreign exchange difference	-	-	-	-	16,373	16,373		
	At 31 December 2010	120,479	7,500	11	89,521	3,501,620	3,719,131		
The movements in shareholders' funds in the previous year are set out below									
	At 1 July 2008	120,479	7,500	11	89,521	3,019,709	3,237,220		
	Profit for the period	-	-	-	-	1,029,288	1,029,288		
	Dividends	-	-	-	-	(670,000)	(670,000)		
	Foreign exchange difference	-	-	-	-	41,818	41,818		
	At 31 December 2009	120,479	7,500	11	89,521	3,420,815	3,638,326		

SBS Worldwide Limited

Notes forming part of the financial statements
for the year ended 31 December 2010 (continued)

18 Shareholders' funds (continued)

(b) Company

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2010	120,479	7,500	89,521	2,597,509	2,815,009
Profit for the year	-	-	-	287,473	287,473
Dividends	-	-	-	(300,000)	(300,000)
At 31 December 2010	120,479	7,500	89,521	2,584,982	2,802,482

The movements in shareholders' fund in the previous period are set out below

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 July 2008	120,479	7,500	89,521	2,716,587	2,934,087
Profit for the year	-	-	-	550,922	550,922
Dividends	-	-	-	(670,000)	(670,000)
At 31 December 2009	120,479	7,500	89,521	2,597,509	2,815,009

19 Reconciliation of movements on shareholders' funds

	Group Year ended 31 December 2010 £	Group 18 month ended 31 December 2009 £	Company Year ended 31 December 2010 £	Company 18 month ended 31 December 2009 £
Profit for the year	364,432	1,029,288	287,473	550,922
Dividends	(300,000)	(670,000)	(300,000)	(670,000)
	64,432	359,288	(12,527)	(119,078)
Foreign exchange differences	16,373	41,818	-	-
	80,805	401,106	(12,527)	(119,078)
Opening shareholders funds	3,638,326	3,237,220	2,815,009	2,934,087
Closing shareholders funds	3,719,131	3,638,826	2,802,482	2,815,009

SBS Worldwide Limited

Notes forming part of the financial statements for the year ended 31 December 2010 (continued)

20 Commitments under operating leases

As at 31 December 2010, the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2010 £	Land and buildings 2009 £
Operating leases which expire		
Within one year	7,657	123,645
In two to five years	418,843	256,871
Over five years	196,000	196,000
	622,500	576,516

21 Related party transactions

Mr S Black, a director of the company, was also director of S Black Limited until he resigned on 17 June 2010. During the year, the group made sales to S Black Limited up to the date of resignation of £ 201,840 (2009 - £621,473). At 31 December 2009 there was a balance owed of £79,202 (31 December 2009 - £79,202).

22 Reconciliation of operating profit to net cash inflow from operating activities

	Year ended 31 December 2010 £	18 months ended 31 December 2009 £
Operating profit	510,465	2,139,407
Loss on disposal of assets	2,365	16,687
Depreciation on tangible fixed assets	354,537	488,983
Currency translation differences	10,569	-
(Increase)/decrease in debtors	(995,779)	627,847
Increase/(decrease) in creditors	1,626,997	(1,161,344)
Increase in provision	15,000	465,000
Net cash inflow from operating activities	1,524,154	2,576,580

SBS Worldwide Limited

Notes forming part of the financial statements
for the year ended 31 December 2010 (*continued*)

23 Reconciliation of net cash inflow to movement in net funds

	Year ended 31 December 2010 £	18 months ended 31 December 2009 £
Increase in cash during the year	549,532	462,968
Cash outflow from decrease in lease financing	35,641	49,194
Change in net debt resulting from cash flows	585,173	512,162
New finance leases	-	-
Exchange movements	-	25,954
Opening net funds	3,733,542	3,195,426
Closing net funds	4,318,715	3,733,542

24 Analysis of net funds

	At 1 January 2010 £	Cash flow	Non-cash changes £	Exchange movements £	At 31 December 2010 £
Cash in hand and at bank	3,774,931	549,532	-	-	4,324,463
Finance leases due within one year	(35,642)	35,641	(5,747)	-	(5,748)
Finance leases due after one year	(5,747)	-	5,747	-	-
Net funds	3,733,542	585,173	-	-	4,318,715

SBS Worldwide Limited

Notes forming part of the financial statements
for the year ended 31 December 2010 (*continued*)

25 Transactions with directors

	Year ended 31 December 2010 £	18 month ended 31 December 2009 £	Maximum £
N Walker	-	475	22,277
S Walker	3,571	217	25,341

The banking facilities of the company are secured by a debenture date 8 March 2001 held by Barclays Bank Plc

26 Control

In the opinion of the directors there is no one controlling party

28 Post balance sheet events

After the balance sheet date, dividends totalling £300,000 were paid by the company in respect of the year ended 31 December 2010