

M & S Logistics Limited

Annual Report and Financial Statements

For the year ended 31 December 2018



M & S Logistics Limited

Company Information

Directors

J. J. Risbridger

W. Gill

D. R. Kew

L. M. Verwey

R. N. Surman

(Appointed 19 January 2018)

(Appointed 16 May 2018)

Company number

03597897

Registered office

Hope Street Chapel

Hope Street

Sandbach

Cheshire

CW11 1BA

Auditors

Kingston Smith LLP

Orbital House

20 Eastern Road

Romford

Essex

RM1 3PJ

M & S Logistics Limited

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M & S Logistics Limited

Strategic Report

For the year ended 31 December 2018

The directors present the strategic report for the year ended 31 December 2018.

Fair review of the business

The principal activity of the group continued to be that of tank container operators.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.


The results for the Group show a pre-tax profit of £1,501,507 (2017: £1,669,479) and a turnover of £59,823,332 (2017: £61,209,946).

Principal risks and uncertainties

The management of the business and its operations are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to the global economic climate, the demand for tank hire and the risk of foreign exchange rate fluctuation given the wide-spread global presence and the range of currencies utilised.

The directors acknowledge that current market conditions remain difficult, but they are determined and are committed to developing the group and drive growth.

On behalf of the board



D. R. Kew

Director

6 September 2019

M & S Logistics Limited

Directors' Report

For the year ended 31 December 2018

The directors present their annual report and financial statements for the year ended 31 December 2018.

Principal activities

The principal activity of the company and group continued to be that of tank container operators.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D. F. Jenkins (Resigned 19 January 2018)

J. J. Risbridger

W. Gill

D. R. Kew

L. M. Verwey (Appointed 19 January 2018)

R. N. Surman (Appointed 16 May 2018)

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £100,000 (2017: £165,000). The directors do not recommend payment of a final dividend.

Matters included in the Strategic Report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of risk management and future developments.

Auditor

The auditors, Kingston Smith LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

M & S Logistics Limited

Directors' Report (Continued)

For the year ended 31 December 2018

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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). 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 period. In preparing these financial statements, the directors are required to:

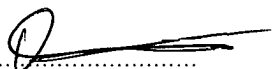
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



D. R. Kew

Director

Date: 6 September 2019

M & S Logistics Limited

Independent Auditor's Report

To the Members of M & S Logistics Limited

Opinion

We have audited the financial statements of M & S Logistics Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 group's or the parent 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 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.

M & S Logistics Limited

Independent Auditor's Report (Continued)

To the Members of M & S Logistics Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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.

M & S Logistics Limited

Independent Auditor's Report (Continued)

To the Members of M & S Logistics Limited

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.


Steven Rushmer (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

Chartered Accountants
Statutory Auditor

6 September 2019

Orbital House
20 Eastern Road
Romford
Essex
RM1 3PJ

M & S Logistics Limited

Group Statement of Comprehensive Income

For the year ended 31 December 2018

	Notes	2018 £	2017 £
Turnover	3	59,823,332	61,209,946
Cost of sales		(47,975,008)	(52,193,504)
Gross profit		11,848,324	9,016,442
Administrative expenses		(9,817,839)	(6,793,951)
Other operating income		273,833	169,498
Operating profit	4	2,304,318	2,391,989
Share of results of associates and joint ventures		11,887	16,516
Interest receivable and similar income	8	20,032	7,575
Interest payable and similar expenses	9	(834,730)	(746,601)
Profit before taxation		1,501,507	1,669,479
Taxation	10	(153,984)	(418,794)
Profit for the financial year	26	1,347,523	1,250,685

Profit for the financial year is all attributable to the owners of the parent company.

M & S Logistics Limited

Group Balance Sheet

As at 31 December 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Intangible assets	12	131,905		118,997	
Tangible assets	13	12,266,246		12,423,246	
Investments	14	59,338		47,451	
		<u>12,457,489</u>		<u>12,589,694</u>	
Current assets					
Debtors	18	13,984,862		15,243,835	
Cash at bank and in hand		5,564,420		4,755,284	
		<u>19,549,282</u>		<u>19,999,119</u>	
Creditors: amounts falling due within one year	19	(20,802,313)		(22,333,722)	
Net current liabilities		<u>(1,253,031)</u>		<u>(2,334,603)</u>	
Total assets less current liabilities		11,204,458		10,255,091	
Creditors: amounts falling due after more than one year	20	(6,574,741)		(6,840,005)	
Provisions for liabilities	23	(743,232)		(641,740)	
Net assets		<u>3,886,485</u>		<u>2,773,346</u>	
Capital and reserves					
Called up share capital	25	100		100	
Other reserves	26	(139,697)		(5,313)	
Profit and loss reserves	26	4,026,082		2,778,559	
Total equity		<u>3,886,485</u>		<u>2,773,346</u>	

The financial statements were approved by the board of directors and authorised for issue on 6 September 2019 and are signed on its behalf by:



D. R. Kew
Director

Company Registration No. 03597897

M & S Logistics Limited

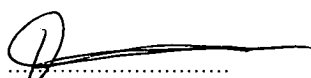
Company Balance Sheet

As at 31 December 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Intangible assets	12	131,905		118,997	
Tangible assets	13	12,244,078		12,400,363	
Investments	14	257,903		257,903	
		<u>12,633,886</u>		<u>12,777,263</u>	
Current assets					
Debtors	18	13,714,455		14,641,227	
Cash at bank and in hand		4,341,376		3,921,632	
		<u>18,055,831</u>		<u>18,562,859</u>	
Creditors: amounts falling due within one year	19	(20,196,621)		(21,716,058)	
Net current liabilities		<u>(2,140,790)</u>		<u>(3,153,199)</u>	
Total assets less current liabilities		10,493,096		9,624,064	
Creditors: amounts falling due after more than one year	20	(6,574,741)		(6,840,005)	
Provisions for liabilities	23	(743,232)		(641,740)	
Net assets		<u>3,175,123</u>		<u>2,142,319</u>	
Capital and reserves					
Called up share capital	25	100		100	
Profit and loss reserves	26	3,175,023		2,142,219	
Total equity		<u>3,175,123</u>		<u>2,142,319</u>	

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the year was £1,132,804 (2017 - £575,620 profit).

The financial statements were approved by the board of directors and authorised for issue on 6 September 2019 and are signed on its behalf by:



D. R. Kew
Director

Company Registration No. 03597897

M & S Logistics Limited

Group Statement of Changes in Equity

For the year ended 31 December 2018

	Notes	Share capital £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 January 2017		100	93,270	1,692,874	1,786,244
Period ended 31 December 2017:					
Profit and total comprehensive income for the year		-	-	1,250,685	1,250,685
Dividends	11	-	-	(165,000)	(165,000)
Currency translation differences on overseas subsidiaries		-	(98,583)	-	(98,583)
Balance at 31 December 2017		100	(5,313)	2,778,559	2,773,346
Period ended 31 December 2018:					
Profit and total comprehensive income for the year		-	-	1,347,523	1,347,523
Dividends	11	-	-	(100,000)	(100,000)
Currency translation differences on overseas subsidiaries		-	(134,384)	-	(134,384)
Balance at 31 December 2018		100	(139,697)	4,026,082	3,886,485

M & S Logistics Limited

Company Statement of Changes in Equity

For the year ended 31 December 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2017		100	1,731,599	1,731,699
Year ended 31 December 2017:				
Profit and total comprehensive income for the year		-	575,620	575,620
Dividends	11	-	(165,000)	(165,000)
Balance at 31 December 2017		100	2,142,219	2,142,319
Year ended 31 December 2018:				
Profit and total comprehensive income for the year		-	1,132,804	1,132,804
Dividends	11	-	(100,000)	(100,000)
Balance at 31 December 2018		100	3,175,023	3,175,123

M & S Logistics Limited

Group Statement of Cash Flows

For the year ended 31 December 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	33	2,443,167		6,788,403	
Interest paid		(834,730)		(746,601)	
Income taxes paid		(215,031)		(19,048)	
Net cash inflow from operating activities		1,393,406		6,022,754	
Investing activities					
Purchase of intangible assets		(52,500)		(32,960)	
Purchase of tangible fixed assets		(157,485)		(1,074,706)	
Proceeds on disposal of tangible fixed assets		10,623		56,500	
Cash acquired on purchase of subsidiary		-		779,994	
Interest received		20,032		7,575	
Net cash used in investing activities		(179,330)		(263,597)	
Financing activities					
Payment of finance leases obligations		(788,870)		(1,391,859)	
Net cash used in financing activities		(788,870)		(1,391,859)	
Net increase in cash and cash equivalents		425,206		4,367,298	
Cash and cash equivalents at beginning of year		4,755,284		1,982,727	
Effect of foreign exchange rates		383,930		(1,594,741)	
Cash and cash equivalents at end of year		5,564,420		4,755,284	

M & S Logistics Limited

Notes to the Financial Statements

For the year ended 31 December 2018

1 Accounting policies

Company information

M & S Logistics Limited ("the Company") is a company limited by shares domiciled and incorporated in England and Wales. The registered office is Hope Street Chapel, Hope Street, Sandbach, Cheshire, CW11 1BA.

The Group consists of M & S Logistics Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of M & S Logistics Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 December 2018.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover represents amounts receivable from tank container operations provided net of value added tax. Turnover is recognised on dispatch of the tank container and its goods.

1.5 Intangible fixed assets - goodwill

Negative goodwill arose on acquisition of a subsidiary and was written off to the profit and loss account in the year of acquisition.

M & S Logistics Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

1 Accounting policies

(Continued)

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	4 to 5 years
Patents	5 years

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	10% - 33% straight line
Tank containers	5% - 6.67% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.8 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

M & S Logistics Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

M & S Logistics Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price and subsequently are carried at amortised cost.

Other financial liabilities

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.13 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

M & S Logistics Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

M & S Logistics Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

1 Accounting policies

(Continued)

1.18 Accrued job costs

The company accrues for all reasonably expected sales related costs for which no invoice has been received at the time that income is recognised. These accruals are reviewed continually and any variance on the accrued amount versus the actual costs received is written off upon closure of the related job file.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Amortisation charge

The annual amortisation charge for intangible assets is sensitive to changes in the estimated lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. These reviews require an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise for the cash generating unit and a suitable discount rate to calculate present value. See note 12 for the carrying amount of the intangible assets and note 1.5 and 1.6 for the useful economic lives for each class of asset.

Depreciation charge

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property, plant and equipment and note 1.7 for the useful economic lives for each class of asset.

Provisions for bad debts

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors, knowledge of customer performance and historical experience. See note 18 for the net carrying amount of the debtors and associated impairment provision.

Accrued job costs

The company makes an estimate of the costs to which it is committed for jobs that are open and ongoing at the year end. When assessing the costs to accrue, management considers various factors including historical experience, budgets, knowledge of regional factors and changes in the marketplace. These estimates are included in accruals at the year end, see note 19.

M & S Logistics Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2018 £	2017 £
Turnover		
Tank operating revenue	59,785,548	60,979,362
Costs recovered	37,784	230,584
	<u>59,823,332</u>	<u>61,209,946</u>

	2018 £	2017 £
Other significant revenue		
Interest income	20,032	7,575
Management fees receivable	166,728	128,040
Sales commission	55,411	41,458
	<u></u>	<u></u>

Turnover analysed by geographical market

	2018 £	2017 £
United Kingdom	4,498,648	3,224,544
Europe	10,442,770	11,541,183
Rest of World	44,881,914	46,444,219
	<u>59,823,332</u>	<u>61,209,946</u>

4 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	690,469	(383,615)
Depreciation of owned tangible fixed assets	806,372	103,151
Depreciation of tangible fixed assets held under finance leases	-	454,701
Loss on disposal of tangible fixed assets	131	(27,261)
Amortisation of intangible assets	39,592	54,668
Operating lease charges	<u>1,280,312</u>	<u>1,319,181</u>

M & S Logistics Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

5 Auditors' remuneration

	2018 £	2017 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the group and company	22,608	25,400
Audit of the company's subsidiaries	7,292	15,598
	<u>29,900</u>	<u>40,998</u>
For other services		
All other non-audit services	<u>9,607</u>	<u>1,723</u>

6 Employees

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

	Group 2018 Number	2017 Number	Company 2018 Number	2017 Number
All employees	<u>103</u>	<u>79</u>	<u>42</u>	<u>40</u>

Their aggregate remuneration comprised:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Wages and salaries	4,243,651	3,276,835	1,749,323	1,624,300
Social security costs	345,836	233,902	179,906	165,792
Pension costs	58,019	81,091	26,285	18,652
	<u>4,647,506</u>	<u>3,591,828</u>	<u>1,955,514</u>	<u>1,808,744</u>

7 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	<u>516,814</u>	<u>281,200</u>
Remuneration disclosed above includes the following amounts paid to the highest paid director:		
Remuneration for qualifying services	<u>235,000</u>	<u>200,000</u>

M & S Logistics Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

8 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Other interest income	20,032	7,575
	<u>20,032</u>	<u>7,575</u>

9 Interest payable and similar expenses

	2018 £	2017 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	479	710
Interest on finance leases and hire purchase contracts	834,237	745,782
Other finance costs:		
Other interest	14	109
Total finance costs	<u>834,730</u>	<u>746,601</u>

10 Taxation

	2018 £	2017 £
Current tax		
Foreign current tax on profits for the current period	52,492	145,142
Deferred tax		
Origination and reversal of timing differences	101,492	273,652
Total tax charge	<u>153,984</u>	<u>418,794</u>

M & S Logistics Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Profit before taxation	1,501,507	1,669,479
<i>Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.00%)</i>	285,286	317,201
Tax effect of expenses that are not deductible in determining taxable profit	1,180	2,209
Tax effect of income not taxable in determining taxable profit	-	(3,326)
Unutilised tax losses carried forward	-	24,001
Group relief	24,602	87,148
Permanent capital allowances in excess of depreciation	(87,440)	-
Amortisation on assets not qualifying for tax allowances	-	(30)
Use of brought forward tax losses	(42,122)	-
Other adjustments	(27,522)	(8,409)
Tax expense for the year	153,984	418,794

The company has estimated tax losses carried forward of £401,729 (2017: £623,425) at the year end available for offset against future trading profits.

11 Dividends

	2018 £	2017 £
Final paid	100,000	165,000

M & S Logistics Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

12 Intangible fixed assets

Group	Negative goodwill £	Software £	Licences £	Total £
Cost				
At 1 January 2018	(22,310)	117,360	175,460	270,510
Additions	-	-	52,500	52,500
At 31 December 2018	(22,310)	117,360	227,960	323,010
Amortisation and impairment				
At 1 January 2018	(22,310)	115,967	57,856	151,513
Amortisation charged for the year	-	1,393	38,199	39,592
At 31 December 2018	(22,310)	117,360	96,055	191,105
Carrying amount				
At 31 December 2018	-	-	131,905	131,905
At 31 December 2017	-	1,393	117,604	118,997

Negative goodwill arose on acquisition of the purchase of M & S Logistics BV.

Company	Software £	Licences £	Total £
Cost			
At 1 January 2018	117,360	175,460	292,820
Additions	-	52,500	52,500
At 31 December 2018	117,360	227,960	345,320
Amortisation and impairment			
At 1 January 2018	115,967	57,856	173,823
Amortisation charged for the year	1,393	38,199	39,592
At 31 December 2018	117,360	96,055	213,415
Carrying amount			
At 31 December 2018	-	131,905	131,905
At 31 December 2017	1,393	117,604	118,997

M & S Logistics Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

13 Tangible fixed assets

Group	Fixtures, fittings & equipment £	Tank containers £	Total £
Cost			
At 1 January 2018	212,769	13,381,699	13,594,468
Additions	147,504	510,851	658,355
Disposals	(9,443)	(11,175)	(20,618)
At 31 December 2018	350,830	13,881,375	14,232,205
Depreciation and impairment			
At 1 January 2018	130,796	1,040,426	1,171,222
Depreciation charged in the year	128,004	678,368	806,372
Eliminated in respect of disposals	(9,400)	(2,235)	(11,635)
At 31 December 2018	249,400	1,716,559	1,965,959
Carrying amount			
At 31 December 2018	101,430	12,164,816	12,266,246
At 31 December 2017	81,973	12,341,273	12,423,246
Company			
	Fixtures, fittings & equipment £	Tank containers £	Total £
Cost			
At 1 January 2018	178,105	13,381,699	13,559,804
Additions	75,365	510,851	586,216
Disposals	(9,443)	(11,175)	(20,618)
At 31 December 2018	244,027	13,881,375	14,125,402
Depreciation and impairment			
At 1 January 2018	119,015	1,040,426	1,159,441
Depreciation charged in the year	55,150	678,368	733,518
Eliminated in respect of disposals	(9,400)	(2,235)	(11,635)
At 31 December 2018	164,765	1,716,559	1,881,324
Carrying amount			
At 31 December 2018	79,262	12,164,816	12,244,078
At 31 December 2017	59,090	12,341,273	12,400,363

M & S Logistics Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

13 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £621,863 (2017 - £454,701) for the year.

	Group	2017	Company	2017
	2018		2018	
	£	£	£	£
Tank containers	11,420,085	10,554,599	11,420,085	10,554,599

14 Fixed asset investments

	Notes	Group	2017	Company	2017
		2018		2018	
		£	£	£	£
Investments in subsidiaries	15	-	-	227,549	227,549
Investments in joint ventures	16	59,338	47,451	30,354	30,354
		59,338	47,451	257,903	257,903

Movements in fixed asset investments

Group

**Shares in
group
undertakings
and
participating
interests
£**

Cost or valuation

At 1 January 2018

47,451

Share of profit

11,887

At 31 December 2018

59,338

Carrying amount

At 31 December 2018

59,338

At 31 December 2017

47,451

M & S Logistics Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

14 Fixed asset investments

(Continued)

Movements in fixed asset investments Company

Shares in
group
undertakings
and
participating
interests
£

Cost or valuation

At 1 January 2018 and 31 December 2018

257,903

Carrying amount

At 31 December 2018

257,903

At 31 December 2017

257,903

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held Direct
M & S Logistic (Shanghai) Co Ltd China	Tank container operator	Ordinary	100.00
M & S Logistics BV Netherlands	Tank container operator	Ordinary	100.00
M & S Logistics LLC USA	Tank container operator	Ordinary	100.00
M & S Logistics Pte Ltd Singapore	Tank container operator	Ordinary	100.00
Multistar Leasing Limited England and Wales	Tank container hire and managment	Ordinary	100.00

The investments in subsidiaries are all stated at cost.

16 Joint ventures

Details of the company's joint ventures at 31 December 2018 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held Direct
MB JV Limited British Virgin Islands	Management of container tanks	Ordinary	50.00

The investments in joint ventures are all stated at cost.

M & S Logistics Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

17 Financial instruments

	Group 2018 £	2017 £	Company 2018 £	2017 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	12,942,013	13,538,799	12,811,560	14,512,234
Equity instruments measured at cost less impairment	59,338	47,451	257,903	257,903
Carrying amount of financial liabilities				
Measured at amortised cost	27,314,570	28,989,088	26,771,362	28,556,063

18 Debtors

	Group 2018 £	2017 £	Company 2018 £	2017 £
Amounts falling due within one year:				
Trade debtors	11,795,077	12,832,616	10,842,746	12,146,038
Corporation tax recoverable	49,689	-	-	-
Amounts due from fellow group undertakings	323,175	119,614	1,221,891	383,311
Other debtors	861,240	641,301	784,904	1,494,967
Prepayments and accrued income	955,681	1,650,304	864,914	616,911
	13,984,862	15,243,835	13,714,455	14,641,227

Trade debtors are shown net of provisions for bad debts of £494,837 (2017: £162,434).

19 Creditors: amounts falling due within one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Obligations under finance leases	21	2,376,485	1,958,318	2,376,485	1,958,318
Trade creditors		5,297,922	5,954,718	4,822,893	5,535,852
Amounts due to group undertakings		5,457,523	6,712,063	6,115,190	6,729,730
Corporation tax payable		21,646	134,496	-	-
Other taxation and social security		40,838	50,144	-	-
Other creditors		119,281	184,375	28,953	165,000
Accruals and deferred income		7,488,618	7,339,608	6,853,100	7,327,158
		20,802,313	22,333,722	20,196,621	21,716,058

M & S Logistics Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

20 Creditors: amounts falling due after more than one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Obligations under finance leases	21	6,574,741	6,840,005	6,574,741	6,840,005

21 Finance lease obligations

		Group 2018 £	2017 £	Company 2018 £	2017 £
Future minimum lease payments due under finance leases:					
Within one year		2,376,485	1,958,318	2,376,485	1,958,318
In two to five years		6,269,302	5,443,609	6,269,302	5,443,609
In over five years		305,439	1,396,396	305,439	1,396,396
		8,951,226	8,798,323	8,951,226	8,798,323

Net obligations under finance lease and hire purchase contracts relate to the financing of tank containers. These loans are secured by fixed charges over the assets concerned.

22 Provisions for liabilities

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Deferred tax liabilities	23	743,232	641,740	743,232	641,740

23 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and movements thereon:

	Liabilities 2018 £	Liabilities 2017 £
Group		
Accelerated Capital Allowances	743,232	641,740

M & S Logistics Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

23 Deferred taxation

(Continued)

	Liabilities 2018 £	Liabilities 2017 £
Company		
Accelerated Capital Allowances	743,232	641,740
	<u> </u>	<u> </u>
	Group 2018 £	Company 2018 £
Movements in the year:		
Liability at 1 January 2018	641,740	641,740
Charge to profit or loss	101,492	101,492
	<u> </u>	<u> </u>
Liability at 31 December 2018	743,232	743,232
	<u> </u>	<u> </u>

24 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	75,276	58,019
	<u> </u>	<u> </u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

25 Share capital

	Group and company	
	2018 £	2017 £
Issued and fully paid		
130 Ordinary shares of 50p each	65	65
70 'A' Ordinary shares of 50p each	35	35
	<u> </u>	<u> </u>
	100	100
	<u> </u>	<u> </u>

Both classes of ordinary shares have the same voting rights. Any dividends voted on the 'A' ordinary shares must be given equally to the ordinary shareholders but dividends may be voted on the ordinary shares only. The 'A' ordinary shares additionally have leaver conditions attached to them.

M & S Logistics Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

26 Reserves

Other reserves

Other reserves relate to currency translation differences on overseas subsidiaries.

Profit and loss reserves

The profit and loss reserves which is an accumulation of profits or losses over time across the group and parent company.

27 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Within one year	1,379,703	1,662,495	1,115,000	1,411,016
Between two and five years	1,492,776	2,473,715	1,292,179	2,164,379
In over five years	25,807	42,388	25,807	42,388
	<u>2,898,286</u>	<u>4,178,598</u>	<u>2,432,986</u>	<u>3,617,783</u>

28 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Acquisition of tangible fixed assets	<u>1,740,093</u>	<u>1,641,056</u>	<u>1,740,093</u>	<u>1,641,056</u>

At the year end M & S Logistics Limited was committed to purchasing 100 tank containers (2017: 100) at \$22,000 (2017: \$22,000) each, which at the balance sheet closing exchange rate equates to £17,401 (2017: £16,410).

29 Events after the reporting date

After the balance sheet date, on the 30 April 2019, M&S Logistics Limited disposed of its share in MB JV Limited.

M & S Logistics Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

30 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018 £	2017 £
Aggregate compensation	516,814	281,200

M & S Logistics Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

30 Related party transactions

(Continued)

Group

The group related party relationships and transactions are the same as those for the company which have been disclosed.

Other transactions

The group takes advantage of the exemption available in FRS 102 whereby it has not disclosed transactions with any wholly owned subsidiary undertaking being Multistar Leasing Limited, M & S Logistics Pte Ltd, M & S Logistics LLC, M & S Logistics BV and M & S Logistic (Shanghai) Co Ltd.

The following companies are related parties as they are all fellow subsidiaries of Sterlingwood Limited: Multistar Container Transport Limited, Multistar Container Transport (Pty) Limited and Multistar Tank Leasing Company LLC.

Transactions and balances with these companies are as follows:

Multistar Container Transport Limited:

A management charge was invoiced by the group in respect of employment and administration costs incurred on behalf of Multistar Container Transport Limited of £166,128 (2017: £128,040). During the year, tanks totalling £nil (2017: £1,550,027) were purchased and other purchases of £5,376,973 (2017: £6,365,270) were made from Multistar Container Transport Limited. All transactions occurred at market rate. At the year end, there is a net amount of £5,014,555 (2017: £5,980,041) due to Multistar Container Transport Limited.

Multistar Tank Leasing Company LLC:

An administration fee of £87,497 (2017: £113,043) was paid to Multistar Tank Leasing Company LLC during the year. At the year end, there was an amount due to Multistar Tank Leasing Company LLC of £65,283 (2017: £55,231).

Multistar Container Transport (Pty) Limited:

At the year end, there was an amount due from Multistar Container Transport (Pty) Limited of £1,000 (2017: £nil).

Transactions with other related parties are as follows:

Sterlingwood Limited, the parent company:

At the year end, there is a net amount due to Sterlingwood Limited of £900 (2017: £70,850).

M & S Shipping (Pty), a company related by virtue of significant influence:

Sales amounting to £2,116,764 (2017: £2,907,596) were made and purchases amounting to £1,052,396 (2017: £1,252,895) which include an office retainer charge of £377,916 (2017: £95,502 income) were made during the year. At the year end, there is a net amount owed to M & S Shipping (Pty) of £146,202 (2017: £509,592 owed from).

Embado Limited, a company related by virtue of control by a close family member:

Purchases amounting to £16,582 (2017: £12,472) were made during the year.

M&S Logistics Dubai Limited, a company under common control:

At the year end, owed to the company is £124,250 (2017: £119,614). During the year, there were purchases of £191,925 (2017: £nil) from M&S Logistics Dubai Limited.

M & S Logistics Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

30 Related party transactions

(Continued)

Company

Other transactions

The company takes advantage of the exemption available in FRS 102 whereby it has not disclosed transactions with any wholly owned subsidiary undertaking being Multistar Leasing Limited, M & S Logistics Pte Ltd, M & S Logistics LLC, M & S Logistics BV and M & S Logistic (Shanghai) Co Ltd.

The following companies are related parties as they are all fellow subsidiaries of Sterlingwood Limited: Multistar Container Transport Limited and Multistar Tank Leasing Company LLC.

Transactions and balances with these companies are as follows:

Multistar Container Transport Limited:

A management charge was invoiced by the company in respect of employment and administration costs incurred on behalf of Multistar Container Transport Limited of £165,128 (2017: £128,040). During the year, tanks totalling £nil (2017: £1,550,027) were purchased from Multistar Container Transport Limited. All transactions occurred at market rate. At the year end, there is an amount of £198,034 (2017: £984,449 due to) due from Multistar Container Transport Limited.

Sterlingwood Limited, the parent company:

At the year end, there is a net amount due from Sterlingwood Limited of £100 (2017: £70,850 due to).

Transactions with other related parties are as follows:

M & S Shipping (Pty), a company related by virtue of significant influence:

Sales amounting to £2,116,764 (2017: £2,907,596) were made and purchases amounting to £1,052,396 (2017: £1,252,895) which include an office retainer charge of £377,916 (2017: £95,502 income) were made during the year. At the year end, there is a net amount owed to M & S Shipping (Pty) of £146,202 (2017: £509,592 owed from).

Embado Limited, a company related by virtue of control by a close family member:

Purchases amounting to £16,582 (2017: £12,472) were made during the year.

M&S Logistics Dubai Limited, a company under common control:

At the year end, owed to the company is £124,250 (2017: £119,614). During the year, there were purchases of £191,925 (2017: £nil) from M&S Logistics Dubai Limited.

M & S Logistics Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

31 Directors' transactions

Group

The group related party relationships and transactions are same as those for the company which have been disclosed.

Dividends to directors

Dividends totalling £15,385 (2017: £15,469) were paid in the year in respect of shares held by the company's directors.

Transactions with directors

There is an amount owed to the company by the director, J. Risbridger at the year end of £2,266 (2017: £3,000). This relates entirely to travel expenses, incurred by J. Risbridger during the normal course of business, totalling £8,999 (2017: £23,060).

There are also expenses incurred during the year for D. Kew, a director, which relate entirely to travel expenses incurred during the normal course of business totalling £10,227 (2017: £30,750).

There are also expenses incurred during the year for L. Verwey, a director, which relate entirely to travel expenses incurred during the normal course of business totalling £15,056 (2017: £nil).

There is also an amount due from a director, W. Gill at the year end of £2,239 (2017: £2,239). The commissions relate to the business' trade for which M&S Logistics Limited also receives commission. Payments of £44,727 (2017: £963) were made to the director during the year.

32 Controlling party

The immediate and ultimate parent company is Sterlingwood Limited, a company registered in the British Virgin Islands and does not prepare group financial statements.

The ultimate controlling party is Mr D. Jenkins, who owns 100% of the share capital of Sterlingwood Limited.

M & S Logistics Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

33 Cash generated from operations	2018 £	2017 £
Profit for the year after tax	1,347,523	1,250,685
Adjustments for:		
Share of results of associates and joint ventures	(11,887)	(16,516)
Taxation charged	153,984	418,794
Finance costs	834,730	746,601
Investment income	(20,032)	(7,575)
Loss/(gain) on disposal of tangible fixed assets	131	(27,261)
Amortisation and impairment of intangible assets	39,592	54,668
Depreciation and impairment of tangible fixed assets	737,077	557,852
Foreign exchange gains on cash equivalents	(9,887)	920,413
Movements in working capital:		
Decrease/(increase) in debtors	1,308,662	(1,934,406)
(Decrease)/increase in creditors	(1,936,726)	4,825,148
Cash generated from operations	2,443,167	6,788,403
