

**REPORT OF THE DIRECTORS AND  
AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011  
FOR  
SEAROUTE GROUP LIMITED**

William Duncan & Co.  
Chartered Accountants  
Registered Auditors  
Silverwells House  
114 Cadzow Street  
Hamilton  
ML3 6HP



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FOR THE YEAR ENDED 31 MARCH 2011**

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**SEAROUTE GROUP LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2011**

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**DIRECTORS:**

Allan Porter  
Mark Breingan  
John Sloss

**SECRETARY:**

John Sloss

**REGISTERED OFFICE:**

FM International Cargo Centre  
1-7 Napier Place  
Wardpark North  
Cumbernauld  
G68 0LL

**REGISTERED NUMBER:**

SC202649 (Scotland)

**AUDITORS:**

William Duncan & Co.  
Chartered Accountants  
Registered Auditors  
Silverwells House  
114 Cadzow Street  
Hamilton  
ML3 6HP

**BANKERS:**

The Royal Bank of Scotland plc  
1 Roadside  
The Village  
Cumbernauld  
G67 2SS

**SOLICITORS:**

Shepherd and Wedderburn LLP  
1 Exchange Crescent  
Conference Square  
Edinburgh  
EH3 8UL

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2011**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2011.

**PRINCIPAL ACTIVITY**

The principal activity of the group in the year under review was that of international shipping, chartering and forwarding agents.

**REVIEW OF BUSINESS**

Our aim is to present a balanced and comprehensive review of the development and performance of the group and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties faced.

As an independent group of shipping and ancillary companies we continue to consolidate our business, of largely sea freight, in the following sectors :

General world wide cargo services (Searoute International Limited);  
Bulk and heavy lift shipping and chartering (Searoute Breakbulk Services Limited);  
Cargo handling and stevedoring services (Searoute Port Services (Aberdeen) Limited);  
Other freight services (Searoute V.A.S. Limited, Scotfreight Limited, Searoute Projects Limited, Searoute Breakbulk Services North Limited and World Wide Uni-Express Limited).

We consider that our key financial performance indicators are those that communicate the financial performance of the group as a whole, these being turnover, gross margin and net profit.

The turnover and gross profit of the group by sector was as follows:

	<b>2011</b> <b>£'000</b>	<b>2010</b> <b>£'000</b>
<b>Turnover</b>		
General world wide cargo services	9,494	4,929
Bulk services and charters	-	1,192
Cargo handling services	3,760	2,327
Other freight services	2,008	5,443
	<u>15,262</u>	<u>13,891</u>
<b>Gross profit</b>		
General world wide cargo services	829	730
Bulk services and charters	-	210
Cargo handling services	744	560
Other freight services	73	330
	<u>1,646</u>	<u>1,830</u>

General world wide cargo services sector saw an increase in turnover on exports and the gross profit % decreased to 8.7% from 14.8%.

Bulk services and charters sector performance is included within the general world wide cargo services amounts shown above for the year ended 31 March 2011.

Cargo handling services sector turnover increased by 61% in the year and the gross margin % for this division reduced to 19.8% from 24.1%.

Other freight services sector turnover decreased significantly in the year. The gross margin % fell to 3.6% from 6.1% in this sector.

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2011**

Overall the group profit before tax of £1,096,565 has increased from the profit of £124,332 in 2010 and this has resulted in a profit for the financial year after minority interests of £1,004,654.

Searoute Breakbulk Services Limited was sold to Allan Porter and Mark Breingan on 23 March 2011 and the other companies included under other freight services sector were acquired by Searoute Breakbulk Services Limited on 25 March 2011. The group gain on disposal of £1,115,306 is included in the profit after minority interests.

As with other businesses of a similar size the group finds business challenging but continues to respond to pressure on rates in a positive way by providing a high level of service to its existing clients. New business opportunities will continue to be explored with a view to finding new revenue streams for the benefit of the shareholders. The continued development of the group takes account of any known risks although future plans may be subject to unforeseen future events outside our control.

**DIVIDENDS**

Interim dividends per share were paid as follows:

£3.00	- 6 April 2010
£3.00	- 13 July 2010
£6.50	- 6 August 2010
£3.00	- 6 October 2010
£3.00	- 6 January 2011
<hr/>	
£18.50	
<hr/>	

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 March 2011 will be £18,500.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2010 to the date of this report.

Allan Porter  
Mark Breingan  
John Sloss

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 company and the group 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;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2011**

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**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

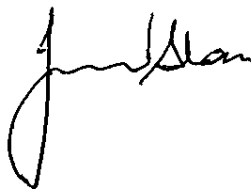
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**AUDITORS**

The auditors, William Duncan & Co., will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

John Sloss - Secretary

A handwritten signature in black ink, appearing to read 'John Sloss', is written over the printed name.

29 December 2011

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SEAROUTE GROUP LIMITED**

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We have audited the financial statements of Searoute Group Limited for the year ended 31 March 2011 on pages seven to twenty five. 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 a Report of the Auditors 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 set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2011 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 matter prescribed by the Companies Act 2006**

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
SEAROUTE GROUP LIMITED**

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**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.

Andrew Steel (Senior Statutory Auditor)  
for and on behalf of William Duncan & Co.  
Chartered Accountants  
Registered Auditors  
Silverwells House  
114 Cadzow Street  
Hamilton  
ML3 6HP

*Andrew Steel, FCA*  
*William Duncan & Company*

29 December 2011



**SEAROUTE GROUP LIMITED (REGISTERED NUMBER: SC202649)**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2011**

	Notes	31.3.11 £	£	31.3.10 £	£
<b>TURNOVER</b>			15,261,553		13,891,485
Continuing operations		13,253,138		7,422,887	
Discontinued operations		<u>2,008,415</u>		<u>6,468,598</u>	
Cost of sales	2		<u>13,615,954</u>		<u>12,061,263</u>
<b>GROSS PROFIT</b>	2		1,645,599		1,830,222
Net operating expenses	2		<u>1,596,626</u>		<u>1,642,768</u>
<b>OPERATING PROFIT</b>	5		48,973		187,454
Continuing operations		153,361		(19,577)	
Discontinued operations		<u>(104,388)</u>		<u>207,031</u>	
Profit on sale of subsidiaries			<u>1,115,306</u>		<u>-</u>
			1,164,279		187,454
Interest receivable and similar income			<u>3,006</u>		<u>1,121</u>
			1,167,285		188,575
Interest payable and similar charges	6		<u>70,720</u>		<u>64,243</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			1,096,565		124,332
Tax on profit on ordinary activities	7		<u>24,059</u>		<u>14,023</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>			1,072,506		110,309
Minority interest - equity			<u>67,852</u>		<u>11,706</u>
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP</b>			<u>1,004,654</u>		<u>98,603</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES</b>					

The group has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these financial statements

**SEAROUTE GROUP LIMITED (REGISTERED NUMBER: SC202649)**

**CONSOLIDATED BALANCE SHEET  
31 MARCH 2011**

	Notes	31.3.11 £	£	31.3.10 £	£
<b>FIXED ASSETS</b>					
Intangible assets	10		-		-
Tangible assets	11		294,972		69,200
Investments	12		-		-
			<u>294,972</u>		<u>69,200</u>
<b>CURRENT ASSETS</b>					
Debtors	13	3,404,610		2,904,486	
Cash at bank and in hand		<u>1,232,959</u>		<u>363,732</u>	
		4,637,569		3,268,218	
<b>CREDITORS</b>					
Amounts falling due within one year	14	<u>3,236,120</u>		<u>2,827,786</u>	
<b>NET CURRENT ASSETS</b>			<u>1,401,449</u>		<u>440,432</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,696,421		509,632
<b>CREDITORS</b>					
Amounts falling due after more than one year	15		(110,762)		(2,038)
<b>PROVISIONS FOR LIABILITIES</b>	19		(28,052)		(3,993)
<b>MINORITY INTERESTS (including non-equity interests)</b>	20		<u>(179,476)</u>		<u>(111,624)</u>
<b>NET ASSETS</b>			<u>1,378,131</u>		<u>391,977</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	21		1,000		1,000
Profit and loss account	22		<u>1,377,131</u>		<u>390,977</u>
<b>SHAREHOLDERS' FUNDS</b>	25		<u>1,378,131</u>		<u>391,977</u>

The financial statements were approved by the Board of Directors on 29 December 2011 and were signed on its behalf by:

Allan Porter - Director

John Sloss - Director

The notes form part of these financial statements

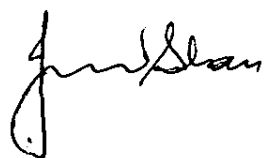
SEAROUTE GROUP LIMITED (REGISTERED NUMBER: SC202649)

COMPANY BALANCE SHEET  
31 MARCH 2011

	Notes	31.3.11 £	31.3.10 £
<b>FIXED ASSETS</b>			
Intangible assets	10	-	-
Tangible assets	11	56,114	31,216
Investments	12	1,840	2,144
		<u>57,954</u>	<u>33,360</u>
<b>CURRENT ASSETS</b>			
Debtors	13	1,440,734	873,638
<b>CREDITORS</b>			
Amounts falling due within one year	14	<u>911,511</u>	<u>470,455</u>
<b>NET CURRENT ASSETS</b>		<u>529,223</u>	<u>403,183</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>587,177</u>	<u>436,543</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	15	<u>10,496</u>	<u>2,038</u>
<b>NET ASSETS</b>		<u><u>576,681</u></u>	<u><u>434,505</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	21	1,000	1,000
Profit and loss account	22	<u>575,681</u>	<u>433,505</u>
<b>SHAREHOLDERS' FUNDS</b>	25	<u><u>576,681</u></u>	<u><u>434,505</u></u>

The financial statements were approved by the Board of Directors on 29 December 2011 and were signed on its behalf by:

  
Allan Porter - Director

  
John Sloss - Director

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2011**

	Notes	31.3.11 £	£	31.3.10 £	£
<b>Net cash (outflow)/inflow from operating activities</b>	1		(37,753)		243,375
<b>Returns on investments and servicing of finance</b>	2		(67,714)		(104,998)
<b>Taxation</b>			(3,995)		(12,895)
<b>Capital expenditure</b>	2		(104,334)		135,469
<b>Acquisitions and disposals</b>	2		1,115,306		-
<b>Equity dividends paid</b>			(18,500)		(85,112)
			<u>883,010</u>		<u>175,839</u>
<b>Financing</b>	2		(13,783)		(55,956)
<b>Increase in cash in the period</b>			<u>869,227</u>		<u>119,883</u>
<b>Reconciliation of net cash flow to movement in net funds</b>	3				
Increase in cash in the period		869,227		119,883	
Cash outflow from decrease in debt and lease financing		<u>13,783</u>		<u>118,068</u>	
Change in net funds resulting from cash flows			883,010		237,951
New finance leases			<u>(148,990)</u>		<u>-</u>
<b>Movement in net funds in the period</b>			734,020		237,951
<b>Net funds at 1 April</b>			<u>353,543</u>		<u>115,592</u>
<b>Net funds at 31 March</b>			<u>1,087,563</u>		<u>353,543</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2011**

**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	31.3.11	31.3.10
	£	£
Operating profit	48,973	187,454
Depreciation charges	27,552	29,995
Profit on disposal of fixed assets	-	(4,568)
Increase in debtors	(500,124)	(1,115,779)
Increase in creditors	385,846	1,146,273
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(37,753)</b>	<b>243,375</b>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	31.3.11	31.3.10
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	3,006	1,121
Interest paid	(46,279)	(41,048)
Interest element of hire purchase payments	(24,441)	(23,195)
Dividends paid to minority interests	-	(41,876)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(67,714)</b>	<b>(104,998)</b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(105,334)	(1,507)
Sale of tangible fixed assets	1,000	136,976
<b>Net cash (outflow)/inflow for capital expenditure</b>	<b>(104,334)</b>	<b>135,469</b>
<b>Acquisitions and disposals</b>		
Profit on disposal of subsidiaries	1,115,306	-
<b>Net cash inflow for acquisitions and disposals</b>	<b>1,115,306</b>	<b>-</b>
<b>Financing</b>		
Loan repayments in year	-	(100,000)
Capital repayments in year	(13,783)	(18,068)
Amount introduced by directors	-	62,112
<b>Net cash outflow from financing</b>	<b>(13,783)</b>	<b>(55,956)</b>

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2011**

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**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.4.10 £	Cash flow £	Other non-cash changes £	At 31.3.11 £
Net cash:				
Cash at bank and in hand	363,732	869,227		1,232,959
	<u>363,732</u>	<u>869,227</u>		<u>1,232,959</u>
Debt:				
Hire purchase	(10,189)	13,783	(148,990)	(145,396)
	<u>(10,189)</u>	<u>13,783</u>	<u>(148,990)</u>	<u>(145,396)</u>
Total	<u>353,543</u>	<u>883,010</u>	<u>(148,990)</u>	<u>1,087,563</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

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**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention.

**Turnover**

Turnover represents net invoiced international freight forwarding services, excluding value added tax.

**Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business in 2006, is being amortised evenly over its estimated useful life of five years.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Leasehold improvements	- Straight line over the lease term
Plant and machinery	- 25% on reducing balance and 20% on cost
Fixtures and fittings	- 33% on cost and 25% on reducing balance
Motor vehicles	- 25% on reducing balance

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2011

## 2. ANALYSIS OF OPERATIONS

	Continuing £	31.3.11 Discontinued £	Total £
Cost of sales	<u>11,680,149</u>	<u>1,935,805</u>	<u>13,615,954</u>
Gross profit	<u>1,572,989</u>	<u>72,610</u>	<u>1,645,599</u>
Net operating expenses:			
Administrative expenses	1,419,628	190,965	1,610,593
Other operating income (see note 3)	-	(13,967)	(13,967)
	<u>1,419,628</u>	<u>176,998</u>	<u>1,596,626</u>

	Continuing £	31.3.10 Discontinued £	Total £
Cost of sales	<u>6,132,684</u>	<u>5,928,579</u>	<u>12,061,263</u>
Gross profit	<u>1,290,203</u>	<u>540,019</u>	<u>1,830,222</u>
Net operating expenses:			
Administrative expenses	1,397,710	332,988	1,730,698
Other operating income (see note 3)	(87,930)	-	(87,930)
	<u>1,309,780</u>	<u>332,988</u>	<u>1,642,768</u>

## 3. OTHER OPERATING INCOME

	31.3.11 £	31.3.10 £
Rents received	-	1,127
Other income	<u>13,967</u>	<u>86,803</u>
	<u>13,967</u>	<u>87,930</u>

## 4. STAFF COSTS

	31.3.11 £	31.3.10 £
Wages and salaries	853,806	1,016,029
Social security costs	128,101	103,434
Other pension costs	<u>7,158</u>	<u>12,118</u>
	<u>989,065</u>	<u>1,131,581</u>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2011**

**4. STAFF COSTS - continued**

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

	31.3.11	31.3.10
Management	4	4
Administration	23	27
Stevedoring	40	-
	<u>67</u>	<u>31</u>

**5. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	31.3.11	31.3.10
	£	£
Hire of plant and machinery	34,996	48,717
Depreciation - owned assets	19,632	23,268
Depreciation - assets on hire purchase contracts	7,920	4,227
Profit on disposal of fixed assets	-	(4,568)
Goodwill amortisation	-	2,500
Auditors' remuneration	20,550	21,970
Foreign exchange differences	<u>(66,966)</u>	<u>14,882</u>
Directors' remuneration	222,212	223,954
Directors' pension contributions to money purchase schemes	<u>1,200</u>	<u>1,200</u>

Information regarding the highest paid director is as follows:

	31.3.11	31.3.10
	£	£
Emoluments etc	<u>98,317</u>	<u>96,948</u>

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	31.3.11	31.3.10
	£	£
Bank interest and charges	46,279	40,946
Other interest	-	102
Hire purchase interest	2,379	1,794
Leasing	<u>22,062</u>	<u>21,401</u>
	<u>70,720</u>	<u>64,243</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2011

## 7. TAXATION

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	31.3.11 £	31.3.10 £
Current tax:		
UK corporation tax	-	15,639
Deferred tax	24,059	(1,616)
Tax on profit on ordinary activities	<u>24,059</u>	<u>14,023</u>

**Factors affecting the tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.11 £	31.3.10 £
Profit on ordinary activities before tax	<u>1,096,565</u>	<u>124,332</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2010 - 21%)	230,279	26,110
Effects of:		
Expenses disallowed for taxation purposes	8,439	3,257
Capital allowances in excess of depreciation	(22,192)	3,718
Tax losses carried forward / (utilised)	17,688	(17,446)
Group gain on disposal of subsidiaries	<u>(234,214)</u>	<u>-</u>
Current tax charge	<u>-</u>	<u>15,639</u>

## 8. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £160,676 (2010 - £155,652).

## 9. DIVIDENDS

	31.3.11 £	31.3.10 £
Ordinary shares of £1 each		
Interim	<u>18,500</u>	<u>85,112</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2011**

**10. INTANGIBLE FIXED ASSETS****Group**Goodwill  
£**COST**At 1 April 2010  
and 31 March 2011

10,000

**AMORTISATION**At 1 April 2010  
and 31 March 2011

10,000

**NET BOOK VALUE**

At 31 March 2011

-

At 31 March 2010

-

**11. TANGIBLE FIXED ASSETS****Group**

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 April 2010	84,040	58,176	180,219	15,084	337,519
Additions	-	214,634	-	39,690	254,324
Disposals	-	(779)	(21,832)	-	(22,611)
At 31 March 2011	84,040	272,031	158,387	54,774	569,232
<b>DEPRECIATION</b>					
At 1 April 2010	84,040	33,258	140,536	10,485	268,319
Charge for year	-	8,833	12,818	5,901	27,552
Eliminated on disposal	-	(779)	(20,832)	-	(21,611)
At 31 March 2011	84,040	41,312	132,522	16,386	274,260
<b>NET BOOK VALUE</b>					
At 31 March 2011	-	230,719	25,865	38,388	294,972
At 31 March 2010	-	24,918	39,683	4,599	69,200

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2011

## 11. TANGIBLE FIXED ASSETS - continued

## Group

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 April 2010	-	20,812	-	20,812
Additions	160,000	-	37,990	197,990
At 31 March 2011	160,000	20,812	37,990	218,802
<b>DEPRECIATION</b>				
At 1 April 2010	-	8,130	-	8,130
Charge for year	-	3,171	4,749	7,920
At 31 March 2011	-	11,301	4,749	16,050
<b>NET BOOK VALUE</b>				
At 31 March 2011	160,000	9,511	33,241	202,752
At 31 March 2010	-	12,682	-	12,682

## Company

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 April 2010	84,040	3,500	82,149	-	169,689
Additions	-	-	-	37,990	37,990
At 31 March 2011	84,040	3,500	82,149	37,990	207,679
<b>DEPRECIATION</b>					
At 1 April 2010	84,040	3,500	50,933	-	138,473
Charge for year	-	-	8,343	4,749	13,092
At 31 March 2011	84,040	3,500	59,276	4,749	151,565
<b>NET BOOK VALUE</b>					
At 31 March 2011	-	-	22,873	33,241	56,114
At 31 March 2010	-	-	31,216	-	31,216

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2011

## 11. TANGIBLE FIXED ASSETS - continued

## Company

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>			
At 1 April 2010	20,812	-	20,812
Additions	-	37,990	37,990
At 31 March 2011	20,812	37,990	58,802
<b>DEPRECIATION</b>			
At 1 April 2010	8,130	-	8,130
Charge for year	3,171	4,749	7,920
At 31 March 2011	11,301	4,749	16,050
<b>NET BOOK VALUE</b>			
At 31 March 2011	9,511	33,241	42,752
At 31 March 2010	12,682	-	12,682

## 12. FIXED ASSET INVESTMENTS

## Company

	Unlisted investments £
<b>COST</b>	
At 1 April 2010	2,144
Disposals	(304)
At 31 March 2011	1,840
<b>NET BOOK VALUE</b>	
At 31 March 2011	1,840
At 31 March 2010	2,144

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2011

## 12. FIXED ASSET INVESTMENTS - continued

The group or the company's investments at the balance sheet date in the share capital of companies include the following:

**Subsidiaries****Searoute Port Services (Aberdeen) Limited**

Nature of business: Provision of port services.

	% holding		
Class of shares:			
Ordinary	75.00	31.3.11 £	31.3.10 £
Aggregate capital and reserves		717,906	446,498
Profit for the year		<u>271,408</u>	<u>46,824</u>

**Searoute International Limited**

Nature of business: International freight forwarding agents.

	% holding		
Class of shares:			
Ordinary	100.00	31.3.11 £	31.3.10 £
Aggregate capital and reserves		264,860	308,675
(Loss)/Profit for the year		<u>(43,815)</u>	<u>10,073</u>

**Aberdeen Cargo Handling Services Limited**

Nature of business: Provision of port services

	% holding	
Class of shares:		
Ordinary	100.00	30.4.10 £
Aggregate capital and reserves		<u>1</u>

The group or company's investments in Searoute Breakbulk Services Limited, Searoute V.A.S. Limited, Scotfreight Limited, Searoute Projects Limited, Searoute Breakbulk Services North Limited and World Wide Uni-Express Limited were disposed of on 25 March 2011 for a total consideration of £6 resulting in a gain on disposal to the group of £1,115,306. The whole issued share capital of Searoute Breakbulk Services Limited was acquired by Allan Porter and Mark Breingan. The investments in the other companies disposed of are now held by Searoute Breakbulk Services Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2011

## 13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.11	31.3.10	31.3.11	31.3.10
	£	£	£	£
Trade debtors	1,933,998	2,099,574	105,958	89,200
Amounts owed by group undertakings	-	-	269,328	516,076
Amounts owed by related undertakings	1,073,479	-	803,347	-
Other debtors	244,943	370,354	235,656	237,860
VAT	27,209	118,906	-	-
Prepayments and accrued income	124,981	315,652	26,445	30,502
	<u>3,404,610</u>	<u>2,904,486</u>	<u>1,440,734</u>	<u>873,638</u>

## 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.11	31.3.10	31.3.11	31.3.10
	£	£	£	£
Bank loans and overdrafts (see note 16)	-	-	398,781	69,871
Hire purchase contracts (see note 17)	34,634	8,151	9,034	8,151
Trade creditors	2,186,423	2,265,236	34,083	47,262
Amounts owed to group undertakings	-	-	-	215,795
Amounts owed to related undertakings	583,154	-	352,884	-
Corporation tax	11,644	15,639	5,667	5,667
PAYE and NIC	66,926	63,457	66,926	63,457
VAT	-	-	25,634	25,740
Other creditors	13,996	18,336	8,650	2,156
Accruals and deferred income	339,343	456,967	9,852	32,356
	<u>3,236,120</u>	<u>2,827,786</u>	<u>911,511</u>	<u>470,455</u>

## 15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	31.3.11	31.3.10	31.3.11	31.3.10
	£	£	£	£
Hire purchase contracts (see note 17)	<u>110,762</u>	<u>2,038</u>	<u>10,496</u>	<u>2,038</u>

## 16. LOANS

An analysis of the maturity of loans is given below:

	Company	
	31.3.11	31.3.10
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>398,781</u>	<u>69,871</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2011

## 17. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

## Group

	Hire purchase contracts	
	31.3.11	31.3.10
	£	£
Net obligations repayable:		
Within one year	34,634	8,151
Between one and five years	110,762	2,038
	<u>145,396</u>	<u>10,189</u>

## Company

	Hire purchase contracts	
	31.3.11	31.3.10
	£	£
Net obligations repayable:		
Within one year	9,034	8,151
Between one and five years	10,496	2,038
	<u>19,530</u>	<u>10,189</u>

The following operating lease payments are committed to be paid within one year:

## Group

	Land and buildings		Other operating leases	
	31.3.11	31.3.10	31.3.11	31.3.10
	£	£	£	£
Expiring:				
Within one year	50,625	67,500	3,608	8,114
Between one and five years	-	-	3,048	10,265
	<u>50,625</u>	<u>67,500</u>	<u>6,656</u>	<u>18,379</u>

## Company

	Land and buildings		Other operating leases	
	31.3.11	31.3.10	31.3.11	31.3.10
	£	£	£	£
Expiring:				
Within one year	50,625	67,500	3,608	-
Between one and five years	-	-	3,048	3,048
	<u>50,625</u>	<u>67,500</u>	<u>6,656</u>	<u>3,048</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2011

## 18. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	31.3.11	31.3.10	31.3.11	31.3.10
	£	£	£	£
Bank overdraft	-	-	398,781	69,871
Hire purchase contracts	145,396	10,189	19,530	10,189
	<u>145,396</u>	<u>10,189</u>	<u>418,311</u>	<u>80,060</u>

The Royal Bank of Scotland plc holds an Unlimited Inter Company Guarantee granted by all companies within the Searoute Group and a bond and floating charge over all the assets and undertakings of the group.

## 19. PROVISIONS FOR LIABILITIES

	Group	
	31.3.11	31.3.10
	£	£
Deferred tax	<u>28,052</u>	<u>3,993</u>
<b>Group</b>		
		Deferred tax
		£
Balance at 1 April 2010		3,993
Transfer from profit and loss		<u>24,059</u>
Balance at 31 March 2011		<u>28,052</u>

## 20. MINORITY INTERESTS

The minority interests represent a holding of 25% of the ordinary shares in Searoute Port Services (Aberdeen) Limited.

## 21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.11	31.3.10
		£1	£	£
1,000	Ordinary		<u>1,000</u>	<u>1,000</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2011**

**22. RESERVES****Group**

	Profit and loss account £
At 1 April 2010	390,977
Profit for the year	1,004,654
Dividends	(18,500)
At 31 March 2011	<u>1,377,131</u>

**Company**

	Profit and loss account £
At 1 April 2010	433,505
Profit for the year	160,676
Dividends	(18,500)
At 31 March 2011	<u>575,681</u>

**23. CONTINGENT LIABILITIES**

The company is party to the borrowing facility of the Searoute Group which allows for the offset of individual company accounts.

**24. RELATED PARTY DISCLOSURES**

Allan Porter and Mark Breingan own the whole issued share capital of Searoute Breakbulk Services Limited. On 25 March 2011 this company acquired the whole issued share capital of Searoute V.A.S. Limited, Scotfreight Limited, Searoute Projects Limited, Searoute Breakbulk Services North Limited and World Wide Uni-Express Limited. Amounts due to the group from these related undertakings as at the year end totalled £1,073,479 and amounts due by the group to the related undertakings at 31 March 2011 totalled £583,154.

**25. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS****Group**

	31.3.11 £	31.3.10 £
Profit for the financial year	1,004,654	98,603
Dividends	(18,500)	(85,112)
<b>Net addition to shareholders' funds</b>	<u>986,154</u>	<u>13,491</u>
Opening shareholders' funds	391,977	378,486
<b>Closing shareholders' funds</b>	<u>1,378,131</u>	<u>391,977</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2011**

**25. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS - continued****Company**

	31.3.11	31.3.10
	£	£
Profit for the financial year	160,676	155,652
Dividends	(18,500)	(85,112)
<b>Net addition to shareholders' funds</b>	<u>142,176</u>	<u>70,540</u>
Opening shareholders' funds	434,505	363,965
<b>Closing shareholders' funds</b>	<u><u>576,681</u></u>	<u><u>434,505</u></u>

**26. CONTROL**

The directors' beneficial interest represents 100% of the company's issued share capital. The directors therefore control the company and the group.

**SEAROUTE GROUP LIMITED (REGISTERED NUMBER: SC202649)**

**CONSOLIDATED TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2011**

	31.3.11		31.3.10	
	£	£	£	£
<b>Turnover</b>				
Sales	12,007,401		11,660,084	
Import sales	3,169,175		2,149,000	
Warehouse sales	84,977		82,401	
	<u>15,261,553</u>		<u>13,891,485</u>	
<b>Cost of sales</b>				
Freight and ancillaries	13,574,755		12,007,777	
Direct costs	8,959		7,729	
Own vehicle direct costs	-		2,940	
Warehouse wages and NI	32,240		42,817	
	<u>13,615,954</u>		<u>12,061,263</u>	
<b>GROSS PROFIT</b>		<u>1,645,599</u>		<u>1,830,222</u>
<b>Other income</b>				
Rents received	-		1,127	
Other income	13,967		86,803	
Interest received	3,006		1,121	
	<u>16,973</u>		<u>89,051</u>	
		<u>1,662,572</u>		<u>1,919,273</u>
<b>Expenditure</b>				
Directors' remuneration	196,023		197,765	
Directors' pension contributions	1,200		1,200	
Wages and national insurance	625,543		775,447	
Social security	128,101		103,434	
Pensions	5,958		10,918	
Rent and rates	169,281		184,141	
Insurance	44,774		60,069	
Heat and light	7,580		22,799	
Hire of equipment	34,996		48,717	
Telephone	23,785		28,440	
Post, stationery and adverts	37,416		38,513	
Travel expenses	16,329		14,857	
Motor and travel expenses	86,346		81,848	
Computer costs	24,429		24,059	
Repairs and renewals	14,881		7,438	
Training	2,304		1,830	
General expenses	31,435		29,783	
Legal and professional fees	46,541		10,691	
Auditors' remuneration	20,550		21,970	
Foreign exchange (gain) / loss	(66,966)		14,882	
Entertainment	40,188		20,279	
Bad debts	92,347		6,191	
	<u>1,583,041</u>		<u>1,705,271</u>	
<b>Carried forward</b>		<u>79,531</u>		<u>214,002</u>

This page does not form part of the statutory financial statements

**CONSOLIDATED TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2011**

	31.3.11		31.3.10
	£	£	£
Brought forward		79,531	214,002
<b>Finance costs</b>			
Bank interest and charges	46,279		40,946
Other interest	-		102
Hire purchase interest	2,379		1,794
Leasing	22,062		21,401
		70,720	64,243
		8,811	149,759
<b>Depreciation</b>			
Goodwill	-		2,500
Leasehold improvements	-		161
Plant and machinery	8,833		8,279
Fixtures and fittings	12,818		17,519
Motor vehicles	5,901		1,536
		27,552	29,995
		(18,741)	119,764
<b>Profit/(Loss) on disposal of fixed assets</b>			
Freehold property	-		4,852
Plant and machinery	-		(284)
		-	4,568
		(18,741)	124,332
<b>Exceptional items</b>			
Profit on sale of subsidiaries		1,115,306	-
<b>NET PROFIT</b>		1,096,565	124,332