

SENATOR INTERNATIONAL FREIGHT FORWARDING LIMITED

REPORT AND FINANCIAL STATEMENTS

31ST DECEMBER 2011

- 2888355

THURSDAY



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COMPANIES HOUSE

Registered No 2888355

Senator International Freight Forwarding Limited

Report and Financial Statements

31 December 2011

Senator International Freight Forwarding Limited

Directors

H S Turner
U Kirschbaum

Secretary

T Turner

Auditors

Ernst & Young LLP
100 Barbirolli Square
Manchester M2 3EY

Bankers

Lloyds TSB Bank Plc
53 King Street
Manchester M60 2ES

Solicitors

Charles Russell
9-10 New Fetter Lane
London EC4A 1RS

Registered Office

Unit 1B
Building 303
World Freight Terminal
Manchester International Airport
Manchester M90 5UJ

Directors' report

The directors present their report and financial statements for the year ended 31 December 2011

Results and dividends

The profit for the year after taxation amounted to £143,404 (2010 – £125,773) The directors do not recommend a final dividend (2010 – £nil)

Principal activity and review of the business

The principal activity of the company during the year was that of freight forwarding and logistics

The results for the year and the financial position at the year end were considered satisfactory by the directors

Directors

The directors who served the company during the year were as follows

H S Turner
U Kirschbaum

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

Small company exemptions

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006

By order of the Board



T Turner
Secretary
3 April 2012

Directors' responsibilities statement

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Senator International Freight Forwarding Limited

We have audited the financial statements of Senator International Freight Forwarding Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 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 directors' report 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 the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

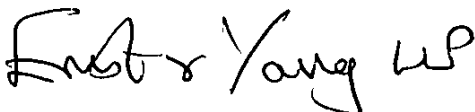
Independent auditors' report

to the members of Senator International Freight Forwarding Limited

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, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled take advantage of the small companies' exemption in preparing the directors' report



Julian Yates (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Manchester

3 April 2012

Senator International Freight Forwarding Limited

Profit and loss account

for the year ended 31 December 2011

| | Notes | 2011 £ | 2010 £ |
|--|-------|--------------------|--------------------|
| Turnover | 2 | 6,068,208 | 6,023,877 |
| Cost of sales | | <u>(4,360,653)</u> | <u>(4,473,135)</u> |
| Gross profit | | 1,707,555 | 1,550,742 |
| Administrative expenses | | <u>(1,550,666)</u> | <u>(1,398,061)</u> |
| Operating Profit | 3 | 156,889 | 152,681 |
| Interest receivable and similar income | 6 | 32,270 | 32,318 |
| Interest payable and similar charges | 7 | <u>(6,338)</u> | <u>(16,449)</u> |
| Profit on ordinary activities before taxation | | 182,821 | 168,550 |
| Tax on profit on ordinary activities | 8 | <u>(39,417)</u> | <u>(42,777)</u> |
| Profit for the financial year | 13 | <u>143,404</u> | <u>125,773</u> |

All amounts relate to continuing activities

Statement of total recognised gains and losses

for the year ended 31 December 2011

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £143,404 in the year ended 31 December 2011 (2010 – £125,773)

Senator International Freight Forwarding Limited

Balance sheet

at 31 December 2011

| | Notes | 2011 £ | 2010 £ |
|---|-------|-----------|-----------|
| Fixed assets | | | |
| Tangible assets | 9 | 41,146 | 30,013 |
| Current assets | | | |
| Debtors | 10 | 1,758,771 | 983,980 |
| Cash at bank and in hand | | 715,988 | 1,158,956 |
| | | 2,474,759 | 2,142,936 |
| Creditors: amounts falling due within one year | 11 | 1,145,073 | 945,521 |
| Net current assets | | 1,329,686 | 1,197,415 |
| Total assets less current liabilities | | 1,370,832 | 1,227,428 |
| Capital and reserves | | | |
| Called up share capital | 12 | 1,500,000 | 1,500,000 |
| Profit and loss account | 13 | (129,168) | (272,572) |
| Shareholder's funds | 13 | 1,370,832 | 1,227,428 |

The financial statements were approved by the board of directors and were signed on its behalf by



H S Turner

Director

3 April 2012

Notes to the financial statements

at 31 December 2011

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

Statement of cash flows

Under the provisions of FRS 1 (revised), the company has not prepared a statement of cash flows because its ultimate parent undertaking, Senator International Spedition GmbH, which is incorporated in Germany, has prepared group financial statements which include the results of the company for the year and are publicly available

Tangible fixed assets

All fixed assets are initially recorded at cost

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows

| | | |
|-----------------------|---|---------------|
| Plant and machinery | – | 5 to 10 years |
| Fixtures and fittings | – | 5 to 10 years |
| Computer equipment | – | 3 to 4 years |

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and value added tax. Revenue is recognised at the point at which service is provided as defined in the contract with the customers

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Notes to the financial statements

at 31 December 2011

1. Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date

All differences are taken to the profit and loss account

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term

Pensions

The company operates a defined contribution personal pension agreement for its employees. The assets of the scheme are held separately from those of the company. Contributions to the scheme are charged to the profit and loss account as they fall due.

2. Turnover

Turnover represents the amount (excluding value added tax) derived from the provision of goods and services to customers during the year, and is derived entirely from continuing activities. Turnover in the year attributable to markets outside the UK was 13.5% (2010 – 10%).

3. Operating profit

This is stated after charging

| | 2011 £ | 2010 £ |
|---|----------------|----------------|
| Auditor's remuneration – audit services | 14,000 | 13,750 |
| – non audit services | 4,500 | 4,500 |
| | <u>19,559</u> | <u>18,360</u> |
| Depreciation of owned fixed assets | | |
| | <u>19,559</u> | <u>18,360</u> |
| Operating lease rentals – plant and machinery | 20,937 | 25,204 |
| – land and buildings | 201,980 | 204,637 |
| | <u>201,980</u> | <u>204,637</u> |

4. Directors' remuneration

| | 2011 £ | 2010 £ |
|--|----------------|----------------|
| Remuneration | <u>108,170</u> | <u>112,350</u> |
| Value of company pension contributions to money purchase schemes | <u>5,804</u> | <u>5,804</u> |
| | <i>No</i> | <i>No</i> |
| Members of money purchase pension schemes | <u>1</u> | <u>1</u> |

Notes to the financial statements

at 31 December 2011

5 Staff costs

| | 2011 £ | 2010 £ |
|---------------------------------------|----------------|----------------|
| Wages and salaries | 815,143 | 711,770 |
| Social security costs | 103,936 | 93,095 |
| Staff pension contributions (note 14) | 14,071 | 13,220 |
| | <u>933,150</u> | <u>818,085</u> |

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

| | No | No |
|----------------|-----------|-----------|
| Administration | <u>27</u> | <u>25</u> |

6. Interest receivable and similar income

| | 2011 £ | 2010 £ |
|------------------------------------|---------------|---------------|
| Bank interest receivable | 9,193 | 2,545 |
| Interest receivable on group loans | 9,318 | – |
| Exchange gains | 13,759 | 29,773 |
| | <u>32,270</u> | <u>32,318</u> |

7. Interest payable and similar charges

| | 2011 £ | 2010 £ |
|-----------------|--------------|---------------|
| Bank charges | 1,356 | 9,283 |
| Exchange losses | 4,982 | 7,166 |
| | <u>6,338</u> | <u>16,449</u> |

8. Tax on profit on ordinary activities

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

| | 2011 £ | 2010 £ |
|---|---------------|---------------|
| Current tax: | | |
| UK corporation tax on the profit for the year | 41,623 | 42,840 |
| Adjustments in respect of prior years | (2,206) | (63) |
| Total current tax (note 8(b)) | <u>39,417</u> | <u>42,777</u> |
| Deferred tax (note 8(c)) | – | – |
| Tax on profit on ordinary activities | <u>39,417</u> | <u>42,777</u> |

Notes to the financial statements

at 31 December 2011

8. Tax (continued)

(b) Factors affecting current tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 26.5% (2010 – 28%). The differences are explained below

| | 2011 £ | 2010 £ |
|--|-----------|-----------|
| Profit on ordinary activities before tax | 182,821 | 168,550 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010 – 28%) | 48,448 | 47,194 |
| <i>Effects of</i> | | |
| Disallowed expenses and non-taxable income | 607 | 190 |
| Capital allowances in excess of depreciation | (6,902) | (6,045) |
| Other timing differences | (530) | 1,501 |
| Adjustments in respect of prior years | (2,206) | (63) |
| Current tax for the year (note 8(a)) | 39,417 | 42,777 |

(c) Deferred tax

| | 2011 £ | 2010 £ |
|-------------------------|-----------|-----------|
| At 1 January | – | – |
| Profit and loss account | – | – |
| At 31 December | – | – |

Deferred tax consists of

| | <i>Recognised</i> | | <i>Unrecognised</i> | |
|---|-------------------|-----------|---------------------|-----------|
| | 2011 £ | 2010 £ | 2011 £ | 2010 £ |
| Capital allowances in advance of depreciation | – | – | (6,902) | (12,026) |
| Other timing differences | – | – | (530) | (3,185) |
| | – | – | (7,432) | (15,211) |

Notes to the financial statements

at 31 December 2011

8. Tax (continued)

(d) Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 26% to 25% was substantively enacted in July 2011 and will be effective from 1 April 2012. Accordingly, this rate has been applied in the measurement of the deferred tax liabilities as at 31 December 2011.

In addition, the Government announced its intention to further reduce the UK corporation tax rate to 24% from 1 April 2013 and to 23% from 1 April 2014. The aggregate impact of the proposed reductions from 25% to 23% would reduce the unrecognised deferred tax assets by approximately £860.

9. Tangible fixed assets

| | <i>Plant and machinery</i> | <i>Fixtures and fittings</i> | <i>Total</i> |
|--------------------------|--------------------------------|----------------------------------|--------------|
| | £ | £ | £ |
| Cost | | | |
| At 1 January 2011 | 23,712 | 130,430 | 154,142 |
| Additions | 2,000 | 28,692 | 30,692 |
| At 31 December 2011 | 25,712 | 159,122 | 184,834 |
| Depreciation | | | |
| At 1 January 2011 | 19,439 | 104,690 | 124,129 |
| Provided during the year | 1,404 | 18,155 | 19,559 |
| At 31 December 2011 | 20,843 | 122,845 | 143,688 |
| Net book value | | | |
| At 31 December 2011 | 4,869 | 36,277 | 41,146 |
| At 1 January 2011 | 4,273 | 25,740 | 30,013 |

10. Debtors

| | <i>2011</i> | <i>2010</i> |
|--|------------------|----------------|
| | £ | £ |
| Trade debtors | 990,144 | 745,362 |
| Amounts owed by group undertakings (note 17) | 620,939 | 96,191 |
| Prepayments and accrued income | 147,688 | 142,427 |
| | <u>1,758,771</u> | <u>983,980</u> |

Notes to the financial statements

at 31 December 2011

11. Creditors: amounts falling due within one year

| | 2011 £ | 2010 £ |
|--|------------------|----------------|
| Trade creditors | 794,663 | 400,989 |
| Amounts owed to group undertakings (note 17) | 13,054 | 31,198 |
| Corporation tax payable | 41,623 | 42,840 |
| Other taxes and social security costs | 1,798 | 1,798 |
| Accruals and deferred income | 293,935 | 468,696 |
| | <u>1,145,073</u> | <u>945,521</u> |

12. Issued share capital

| | No | 2011 £ | No | 2010 £ |
|---|-----------|------------------|-----------|------------------|
| <i>Allotted, called up and fully paid</i> | | | | |
| Ordinary shares of £1 each | 1,500,000 | <u>1,500,000</u> | 1,500,000 | <u>1,500,000</u> |

13. Reconciliation of shareholders' funds and movements on reserves

| | Share capital £ | Profit and loss account £ | Total share- holders' funds £ |
|---------------------|--------------------|---------------------------------|---|
| At 1 January 2010 | 1,500,000 | (398,345) | 1,101,655 |
| Profit for the year | – | 125,773 | 125,773 |
| At 1 January 2011 | 1,500,000 | (272,572) | 1,227,428 |
| Profit for the year | – | 143,404 | 143,404 |
| At 31 December 2011 | <u>1,500,000</u> | <u>(129,168)</u> | <u>1,370,832</u> |

14. Pensions

The company operates a defined contribution personal pension arrangement for its directors and employees. The assets of the scheme are held separately from those of the company. Contributions to the scheme are charged to the profit and loss account as they fall due.

The prepaid contributions at the year end included in note 10 are £1,798 (2010 – £1,798). The pension charge for the year is disclosed in note 5 to the financial statements.

Notes to the financial statements

at 31 December 2011

15. Other financial commitments

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as set out below

| | 2011 | | 2010 | |
|-------------------------------|-------------------------------|---------------|-------------------------------|---------------|
| | <i>Land and buildings</i> | <i>Other</i> | <i>Land and buildings</i> | <i>Other</i> |
| | £ | £ | £ | £ |
| Operating leases which expire | | | | |
| Within one year | – | 2,117 | 20,800 | 3,199 |
| In two to five years | 197,452 | 17,540 | 164,908 | 10,023 |
| | <u>197,452</u> | <u>19,657</u> | <u>185,708</u> | <u>13,222</u> |

16. Contingent liability

The company has in the ordinary course of business given guarantees relating to duty deferment amounting to £800,000 (2010 – £800,000)

17. Related party transactions

| <i>Sales and purchases</i> | <i>Notes</i> | 2011 <i>Sales</i> | 2011 <i>Purchases</i> | 2010 <i>Sales</i> | 2010 <i>Purchases</i> |
|--|--------------|----------------------|--------------------------|----------------------|--------------------------|
| | | £ | £ | £ | £ |
| Senator International Spedition GmbH | 1 | 269,683 | – | 114,740 | 243,920 |
| Senator International Freight Forwarding LLC | 2 | 90,673 | 126,455 | 22,757 | 125,013 |
| Senator International de Mexico | 3 | – | 7,096 | – | 7,906 |
| Senator International (Argentina) S A | 2 | 42,483 | 87 | 28,941 | – |
| Senator International BV | 2 | 9,159 | 4,081 | 734 | – |
| Senator International (S) PTE | 2 | 132,894 | 23,485 | 113,616 | 30,407 |
| Senator International Indonesia | 4 | 4,554 | – | 2,871 | 28 |
| Senator International Hong Kong | 2 | 83,146 | 92,415 | 26,526 | 91,087 |
| Senator International China | 2 | 13,904 | 52,631 | 19,309 | 150,055 |
| Senator International Chile | 2 | 76,757 | 182 | 143,317 | – |
| Senator International Brazil | 2 | 43,335 | 962 | 18,202 | 33 |
| Senator International Thailand | 2 | 1,629 | 1,967 | 1,207 | 164 |
| Senator International Peru | 2 | 4,772 | 182 | 7,739 | – |
| Senator International Switzerland | 2 | 3,150 | 27,190 | – | – |
| | | <u>776,139</u> | <u>336,733</u> | <u>499,959</u> | <u>648,613</u> |

Notes to the financial statements

at 31 December 2011

17. Related party transactions (continued)

| <i>Debtors and creditors</i> | <i>Notes</i> | <i>2011</i> | <i>2011</i> | <i>2010</i> | <i>2010</i> |
|--|--------------|----------------|------------------|----------------|------------------|
| | | <i>Debtors</i> | <i>Creditors</i> | <i>Debtors</i> | <i>Creditors</i> |
| | | £ | £ | £ | £ |
| Senator International Spedition GmbH | 1,5 | 544,533 | – | 60,731 | – |
| Senator International Freight Forwarding LLC | 2 | 6,169 | 704 | 738 | 11,147 |
| Senator International de Mexico | 3 | – | – | – | 397 |
| Senator International (Argentina) S A | 2 | 1,131 | 50 | 6,418 | – |
| Senator International BV | 2 | – | – | – | – |
| Senator International (S) PTE | 2 | 2,531 | 239 | 14,330 | 166 |
| Senator International Indonesia | 4 | 490 | – | 520 | 28 |
| Senator International Hong Kong | 2 | 30,953 | 10,990 | 4,156 | 13,534 |
| Senator International China | 2 | 449 | 1,051 | – | 5,893 |
| Senator International Chile | 2 | 32,024 | – | 7,039 | – |
| Senator International Brazil | 2 | 1,978 | – | 279 | 33 |
| Senator International Thailand | 2 | – | 20 | 343 | – |
| Senator International Peru | 2 | 516 | – | 1,637 | – |
| Senator International Switzerland | 2 | 165 | – | – | – |
| | | <u>620,939</u> | <u>13,054</u> | <u>96,191</u> | <u>31,198</u> |

- 1 During the year the company sold freight forwarding services to the ultimate parent undertaking. The amount shown is included in turnover.
- 2 During the year the company sold freight forwarding services to this fellow subsidiary. The amount shown is included in turnover. In addition the company purchased freight forwarding services from this fellow subsidiary. The amount shown is included in cost of sales.
- 3 During the year the company purchased freight forwarding services from this fellow subsidiary. The amount shown is included in cost of sales.
- 4 During the year the company sold freight forwarding services to this fellow subsidiary. The amount shown is included in turnover.
- 5 On 13 May 2011 the company signed a loan agreement with the ultimate parent undertaking £500,000 attracting an interest rate of LIBOR + 2%. On 1 January 2012 the loan agreement was renewed until 31 May 2012 under the same terms and conditions.

18. Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary of Senator International Spedition GmbH, a company incorporated in Germany. Senator International Spedition GmbH is the ultimate parent undertaking. The financial statements can be obtained from the company at the following address:

Obenhauptstrasse 13
22335 Hamburg
Germany

In the opinion of the directors the controlling party is a director, Mr U Kirschbaum.