

Company Registration No. 04983353 (England and Wales)

TRANSCARGO SERVICES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Tavistock House South
Tavistock Square
London
WC1H 9LG

Rayner Essex LLP
Chartered Accountants

TRANSCARGO SERVICES LIMITED

COMPANY INFORMATION

Directors	Ms T Bondarenko Mr N Kenzhybekov
Company number	04983353
Registered office	4 Devonshire Street Suite G4 London W1W 5DT
Auditor	Rayner Essex LLP Tavistock House South Tavistock Square London WC1H 9LG

TRANSCARGO SERVICES LIMITED

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TRANSCARGO SERVICES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report for the year ended 31 December 2019.

Fair review of the business

The results for the year show turnover decreasing to \$7.8m (2018: \$27.3m) with a net loss after tax of \$1.4m (2018: \$95k profit) and were in line with management's expectations.

The directors began a programme of cost restructuring during the year, which has started to show tangible benefits during the year ended 31 December 2020. Further to this, a strategic review at group level was instigated, which has resulted in a shift in operational focus in terms of geographical locations. It is expected that due to the ongoing Covid-19 pandemic, the benefits of the implementation of the strategic review will manifest in the year to 31 December 2021.

Principal risks and uncertainties

Financial risk management

The company uses financial instruments comprising bank facilities and cash, together with various items such as trade debtors and trade creditors that arise directly from its operations. The main risks arising from the financial instruments are interest rate risk and liquidity risk. The directors review and agree policies for managing these risks. Bank balances are structured so as to enable cash to be available when required. Most are instant access accounts. No transactions in derivatives are undertaken.

Interest rate risk

The company finances its operations through a mixture of shareholders' funds, bank loans and overdrafts. The company accepts the risk attached to interest rate fluctuations as interest remains a significant proportion of operating costs. However, the fluctuations are limited to changes to the Bank of England base rate.

Liquidity risk

The company manages liquidity risk by a combination of controls such as monitoring gearing levels and ensuring facilities are readily available for future use.

Currency risk

The company operates in overseas markets and pays its suppliers in non-sterling currencies. Management do not envisage any significant currency risk currently attached to the company as currency bank accounts are maintained to minimise currency fluctuation implications.

Key performance indicators

The directors use a number of measures, both financial and non-financial to monitor and benchmark the performance of the company. They regard the following as key financial indicators of performance:

Operating profit - measuring the profits generated by the company's operations.

The key non-financial indicators are associated with the company's ability to maintain its existing customer base and to attract new customers, which the directors consider to be the principle risks and uncertainties facing the company.

On behalf of the board

Ms T Bondarenko

Director

7 April 2021

TRANSCARGO SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities

The principal activity of the company continued to be that of transportation of LPG, oil products and sulfur.

Directors

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

Ms T Bondarenko
Mr N Kenzhybekov

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The company's policy is to consult and discuss with employees, matters likely to affect employees' interests.

Future developments

During the year the company undertook a cost cutting exercise with the view to significantly reducing the fixed cost base of the company in the current year.

The directors have considered the potential impact of Covid-19 on the company and its ability to continue trade as a going concern. The directors consider the nature of their operations are such that for the most part, the company has been able to continue trading during the pandemic, albeit at a lower volume than might otherwise have been anticipated. The directors are mindful of the uncertainties surrounding the impact of Covid-19 on the economy. The directors have put in place a risk assessment to combat the potential risks associated with this issue to the best of their abilities.

Auditor

The auditor, Rayner Essex LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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 company's auditor 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 company's auditor is aware of that information.

TRANSCARGO SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

On behalf of the board

Ms T Bondarenko

Director

7 April 2021

TRANSCARGO SERVICES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

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

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

TRANSCARGO SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TRANSCARGO SERVICES LIMITED

Opinion

We have audited the financial statements of Transcargo Services Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of income and retained earnings, the statement of financial position, the 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 company's affairs as at 31 December 2019 and of its loss 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.

The impact of uncertainties due to Covid-19 on our audit

Uncertainties related to the global effects of Covid-19 are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as impairment of fixed assets, recoverability of debtors, intangibles assets and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 is one of the most significant global economic events presently and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. No audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Covid-19.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, as not all future events or conditions can be predicted, such as the impact of Covid-19, and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor report is not a guarantee that the company will continue in operation as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

TRANSCARGO SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TRANSCARGO SERVICES LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of 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 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, 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.

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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

TRANSCARGO SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TRANSCARGO SERVICES LIMITED

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Stephen Jacobs FCA (Senior Statutory Auditor)
for and on behalf of Rayner Essex LLP

7 April 2021

Chartered Accountants
Statutory Auditor

Tavistock House South
Tavistock Square
London
WC1H 9LG

TRANSCARGO SERVICES LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2019

		2019 \$	2018 \$
	Notes		
Turnover	4	7,751,086	27,327,711
Cost of sales		(7,645,590)	(26,197,068)
Gross profit		105,496	1,130,643
Administrative expenses		(1,463,279)	(1,453,457)
Operating loss	3	(1,357,783)	(322,814)
Interest receivable and similar income	7	-	440,345
(Loss)/profit before taxation		(1,357,783)	117,531
Tax on (loss)/profit	8	22,224	(22,224)
(Loss)/profit for the financial year		(1,335,559)	95,307
Retained earnings brought forward		2,740,892	2,645,585
Retained earnings carried forward		1,405,333	2,740,892

TRANSCARGO SERVICES LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

		2019		2018	
	Notes	\$	\$	\$	\$
Fixed assets					
Tangible assets	9		27,604		10,174
Investments	10		220		220
			<u>27,824</u>		<u>10,394</u>
Current assets					
Debtors	11	851,811		2,138,725	
Cash at bank and in hand		<u>1,598,892</u>		<u>1,300,975</u>	
		2,450,703		3,439,700	
Creditors: amounts falling due within one year	12	<u>(773,191)</u>		<u>(409,199)</u>	
Net current assets			<u>1,677,512</u>		<u>3,030,501</u>
Total assets less current liabilities			<u><u>1,705,336</u></u>		<u><u>3,040,895</u></u>
Capital and reserves					
Called up share capital	14		300,003		300,003
Profit and loss reserves	15		<u>1,405,333</u>		<u>2,740,892</u>
Total equity			<u><u>1,705,336</u></u>		<u><u>3,040,895</u></u>

The financial statements were approved by the board of directors and authorised for issue on 7 April 2021 and are signed on its behalf by:

Ms T Bondarenko
Director

Company Registration No. 04983353

TRANSCARGO SERVICES LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 \$	\$	2018 \$	\$
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	19				
		348,837		(1,006,887)	
Income taxes paid		(22,224)		(115,913)	
Net cash inflow/(outflow) from operating activities					
		326,613		(1,122,800)	
Investing activities					
Purchase of tangible fixed assets		(28,696)		(4,063)	
Interest received		-		440,345	
Net cash (used in)/generated from investing activities					
		(28,696)		436,282	
Net increase/(decrease) in cash and cash equivalents					
		297,917		(686,518)	
Cash and cash equivalents at beginning of year		1,300,975		1,987,493	
Cash and cash equivalents at end of year					
		1,598,892		1,300,975	

TRANSCARGO SERVICES LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Judgements and key sources of estimation uncertainty

In the application of the company'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.

2 Accounting policies

Company information

Transcargo Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is 4 Devonshire Street, Suite G4, London, W1W 5DT.

2.1 Basis of preparation

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 US Dollars, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest Dollar.

The financial statements have been prepared on the historical cost convention, and in accordance with applicable accounting standards. The principal accounting policies adopted are set out below.

2.2 Going concern

In adopting the going concern basis for preparing the financial statements, the directors have considered the business activities and the company's principle risks and uncertainties, including those arising from the current Covid-19 pandemic and the government's response to it. The company meets its day-to-day working capital requirements through use of its cash and banking facilities, and support from its parent company and ultimate shareholder.

In assessing the appropriateness of the going concern assumption, the directors have prepared detailed cash flow forecasts for the company, and considered these alongside those for the wider Group in order to consider all group cash flows. In the modelled forecast scenarios the directors are satisfied that the company can continue to operate within its current cash and other facilities. However, the directors acknowledge that the environment is continuously changing and, as such, projecting the impacts of COVID-19 is challenging.

The financial statements do not include adjustments that would result if the company were unable to continue as a going concern

TRANSCARGO SERVICES LIMITED

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

2 Accounting policies

(Continued)

2.3 Turnover

Turnover represents amounts receivable for goods and services supplied during the year net of VAT and trade discounts.

Revenue from transportation of gas is recognised when transportation is complete, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue also includes the total amount receivable for the provision of rental plant and equipment to customers net of returns and VAT. Rental revenue is recognised on a straight-line basis over the period of the rental contract. Because a rental contract can extend financial reporting period ends, the Company records accrued revenue (unbilled rental revenue) and deferred revenue at the beginning and end of each reporting period so that rental revenue is appropriately stated in the financial statements.

Revenue from rental equipment delivery and collection is recognised when delivery or collection has occurred and is reported as revenue.

2.4 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:

Office equipment	5 Years Straight Line
Fixtures, fittings & equipment	5 Years Straight Line
Branch Assets	6 Years 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 credited or charged to profit or loss.

2.5 Cash and cash equivalents

Cash and cash equivalents 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.

2.6 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.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

TRANSCARGO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors 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 unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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.

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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

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 unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

TRANSCARGO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

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 company's contractual obligations expire or are discharged or cancelled.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

2.7 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.8 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

2.9 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

2.10 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 in the period are included in profit or loss.

TRANSCARGO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

3 Operating loss

	2019	2018
	\$	\$
Operating loss for the year is stated after charging/(crediting):		
Exchange losses/(gains)	(11,127)	48,472
Fees payable to the company's auditors for the audit of the company's financial statements	22,197	22,197
Depreciation of owned tangible fixed assets	11,266	5,617
Operating lease charges	80,683	86,969
	<u> </u>	<u> </u>

4 Turnover and other revenue

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

	2019	2018
	\$	\$
Turnover analysed by class of business		
Transportation of LPG, oil products and sulfur	7,751,086	27,327,711
	<u> </u>	<u> </u>

	2019	2018
	\$	\$
Other significant revenue		
Interest income	-	440,345
	<u> </u>	<u> </u>

	2019	2018
	\$	\$
Turnover analysed by geographical market		
Kazakhstan	7,751,086	26,899,788
Latvia	-	427,923
	<u> </u>	<u> </u>
	<u>7,751,086</u>	<u>27,327,711</u>

5 Employees

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

	2019	2018
	Number	Number
Management	3	3
Admin	12	14
	<u> </u>	<u> </u>
Total	<u>15</u>	<u>17</u>

TRANSCARGO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2019**

5 Employees (Continued)

Their aggregate remuneration comprised:

	2019	2018
	\$	\$
Wages and salaries	507,008	609,069
Social security costs	28,968	30,737
Pension costs	22,087	27,822
	<u>558,063</u>	<u>667,628</u>

6 Directors' remuneration

	2019	2018
	\$	\$
Remuneration for qualifying services	175,469	204,039
Company pension contributions to defined contribution schemes	5,000	5,000
	<u>180,469</u>	<u>209,039</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2019	2018
	\$	\$
Remuneration for qualifying services	n/a	146,525
	<u>n/a</u>	<u>146,525</u>

7 Interest receivable and similar income

	2019	2018
	\$	\$
Interest income		
Other interest income	-	440,345
	<u>-</u>	<u>440,345</u>

8 Taxation

	2019	2018
	\$	\$
Current tax		
UK corporation tax on profits for the current period	-	22,224
Adjustments in respect of prior periods	(22,224)	-
	<u>(22,224)</u>	<u>22,224</u>
Total current tax	<u>(22,224)</u>	<u>22,224</u>

TRANSCARGO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2019**

8 Taxation

(Continued)

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

	2019 \$	2018 \$
(Loss)/profit before taxation	(1,357,783)	117,531
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(257,979)	22,331
Tax effect of expenses that are not deductible in determining taxable profit	-	173
Unutilised tax losses carried forward	216,842	-
Adjustments in respect of prior years	22,224	-
Depreciation	2,141	772
Capital allowances	(5,452)	(1,052)
Taxation (credit)/charge for the year	(22,224)	22,224

9 Tangible fixed assets

	Office equipment \$	Fixtures, fittings & equipment \$	Branch Assets \$	Total \$
Cost				
At 1 January 2019	38,771	28,578	65,977	133,326
Additions	-	22,666	6,030	28,696
At 31 December 2019	38,771	51,244	72,007	162,022
Depreciation and impairment				
At 1 January 2019	38,771	18,989	65,392	123,152
Depreciation charged in the year	-	8,392	2,874	11,266
At 31 December 2019	38,771	27,381	68,266	134,418
Carrying amount				
At 31 December 2019	-	23,863	3,741	27,604
At 31 December 2018	-	9,589	585	10,174

TRANSCARGO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2019**

10 Fixed asset investments

	2019	2018
	\$	\$
Unlisted investments	220	220
	<u>220</u>	<u>220</u>

Movements in fixed asset investments

	Investments other than loans \$
Cost or valuation	
At 1 January 2019 & 31 December 2019	220
Carrying amount	
At 31 December 2019	220
	<u>220</u>
At 31 December 2018	220
	<u>220</u>

11 Debtors

	2019	2018
	\$	\$
Amounts falling due within one year:		
Trade debtors	3,720	566,585
Corporation tax recoverable	22,224	-
Other debtors	79,161	106,842
Prepayments and accrued income	746,706	1,465,298
	<u>851,811</u>	<u>2,138,725</u>

12 Creditors: amounts falling due within one year

	2019	2018
	\$	\$
Trade creditors	14,578	19,516
Amounts owed to group undertakings	574,975	181,147
Corporation tax	-	22,224
Other creditors	146	220
Accruals and deferred income	183,492	186,092
	<u>773,191</u>	<u>409,199</u>

TRANSCARGO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

13 Retirement benefit schemes

	2019	2018
	\$	\$
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	22,087	27,822

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

14 Share capital

	2019	2018
	\$	\$
Ordinary share capital		
Issued and fully paid		
2 Class 1 Ordinary of £1.50 each	3	3
300,000 Ordinary of £1 each	300,000	300,000
	300,003	300,003

15 Profit and loss reserves

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

16 Operating lease commitments

Lessee

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

	2019	2018
	\$	\$
Within one year	64,009	64,009
In over five years	448,064	512,073
	512,073	576,082

17 Related party transactions

The following amounts were outstanding at the reporting end date:

	2019	2018
	\$	\$
Amounts due to related parties		
Other related parties	574,975	181,147

TRANSCARGO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

18 Ultimate controlling party

The ultimate parent undertaking is Sydenham Enterprises Limited, a company incorporated in British Virgin Islands.

The company is ultimately controlled by Mr N Kenzhybekov, a director and majority shareholder.

19 Cash generated from/(absorbed by) operations

	2019 \$	2018 \$
(Loss)/profit for the year after tax	(1,335,559)	95,307
Adjustments for:		
Taxation (credited)/charged	(22,224)	22,224
Investment income	-	(440,345)
Depreciation and impairment of tangible fixed assets	11,266	5,617
Movements in working capital:		
Decrease in debtors	1,309,138	3,519,719
Increase/(decrease) in creditors	386,216	(4,209,409)
Cash generated from/(absorbed by) operations	348,837	(1,006,887)

20 Analysis of changes in net funds

	1 January 2019 \$	Cash flows \$	31 December 2019 \$
Cash at bank and in hand	1,300,975	297,917	1,598,892

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.