

Company Registration No. 04983353 (England and Wales)

TRANSCARGO SERVICES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

**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	Suite 3, Second Floor 1 Duchess Street London W1W 6AN
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 2017

The directors present the strategic report for the year ended 31 December 2017.

Fair review of the business

The results for the year show turnover increasing to \$56.5m (2016: \$43.9m) with a net profit after tax of \$482k (2016: \$440k) and were in line with management's expectations.

The directors are pleased with the sales achieved during the current year in what is a difficult trading environment. The directors believe that tough trading conditions will continue into the new year but are convinced the future still continues to look positive for the company.

The board of directors will seek to maintain and improve the current activities of the company.

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

26 September 2018

TRANSCARGO SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their annual report and financial statements for the year ended 31 December 2017.

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 6.

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 increasing profitability in the current year

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.

On behalf of the board

Ms T Bondarenko
Director
26 September 2018

TRANSCARGO SERVICES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017 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 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

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.

TRANSCARGO SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TRANSCARGO SERVICES LIMITED

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.

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.

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

26 September 2018

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 2017

		2017	2016
	Notes	\$	\$
Turnover	3	56,477,426	43,988,073
Cost of sales		(54,222,451)	(41,696,372)
Gross profit		2,254,975	2,291,701
Administrative expenses		(1,841,965)	(1,921,659)
Operating profit	6	413,010	370,042
Interest receivable and similar income	7	185,708	179,693
Profit before taxation		598,718	549,735
Tax on profit	8	(115,913)	(110,191)
Profit for the financial year		482,805	439,544
Retained earnings brought forward		2,162,780	1,723,236
Retained earnings carried forward		2,645,585	2,162,780

TRANSCARGO SERVICES LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Notes	2017 \$	\$	2016 \$	\$
Fixed assets					
Tangible assets	9		11,728		16,119
Investments	10		220		-
			<u>11,948</u>		<u>16,119</u>
Current assets					
Debtors	11	5,658,444		28,259,359	
Cash at bank and in hand		1,937,493		3,953,760	
		<u>7,645,937</u>		<u>32,213,119</u>	
Creditors: amounts falling due within one year	13	<u>(4,712,297)</u>		<u>(29,766,455)</u>	
Net current assets			<u>2,933,640</u>		<u>2,446,664</u>
Total assets less current liabilities			<u><u>2,945,588</u></u>		<u><u>2,462,783</u></u>
Capital and reserves					
Called up share capital	16		300,003		300,003
Profit and loss reserves	17		2,645,585		2,162,780
Total equity			<u><u>2,945,588</u></u>		<u><u>2,462,783</u></u>

The financial statements were approved by the board of directors and authorised for issue on 26 September 2018 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 2017

		2017		2016	
	Notes	\$	\$	\$	\$
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	20	(2,039,915)		200,666	
Income taxes paid		(110,191)		(59,662)	
Net cash (outflow)/inflow from operating activities		(2,150,106)		141,004	
Investing activities					
Purchase of tangible fixed assets		(1,308)		(9,639)	
Proceeds on disposal of tangible fixed assets		-		1,423	
Proceeds on disposal of fixed asset investments		(220)		-	
Interest received		185,708		179,693	
Net cash generated from investing activities		184,180		171,477	
Net cash used in financing activities		-		-	
Net (decrease)/increase in cash and cash equivalents		(1,965,926)		312,481	
Cash and cash equivalents at beginning of year		3,953,419		3,640,938	
Cash and cash equivalents at end of year		1,987,493		3,953,419	
Relating to:					
Cash at bank and in hand		1,987,493		3,953,760	
Bank overdrafts included in creditors payable within one year		-		(341)	

TRANSCARGO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

Transcargo Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is Suite 3, Second Floor, 1 Duchess Street, London, W1W 6AN.

1.1 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.

1.2 Going concern

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

1.3 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.

1.4 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.

TRANSCARGO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.5 Cash and cash equivalents

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

1.6 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.

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.

TRANSCARGO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

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.

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.

1.7 Taxation

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

Current tax

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

Deferred tax

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

TRANSCARGO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.8 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.

1.9 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.

1.10 Leases

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

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

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

Amounts due from lessees under finance leases are recognised as receivables at the amount of the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the company's net investment outstanding in respect of leases.

1.11 Foreign exchange

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

2 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.

TRANSCARGO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

3 Turnover and other revenue

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

	2017 \$	2016 \$
Turnover analysed by class of business		
Transportation of LPG, oil products and sulfur	56,477,426	43,988,073
	<u>56,477,426</u>	<u>43,988,073</u>
	2017 \$	2016 \$
Other significant revenue		
Interest income	185,708	179,693
	<u>185,708</u>	<u>179,693</u>
	2017 \$	2016 \$
Turnover analysed by geographical market		
Kazakhstan	47,927,150	40,060,132
Latvia	919,836	1,066,732
Ukraine	-	293,263
Cyprus	7,525,235	2,312,902
Bosnia	105,205	191,391
Switzerland	-	63,653
	<u>56,477,426</u>	<u>43,988,073</u>

4 Employees

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

	2017 Number	2016 Number
Management	3	3
Admin	17	20
	<u>20</u>	<u>23</u>

TRANSCARGO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2017**

4	Employees	(Continued)	
	Their aggregate remuneration comprised:		
		2017	2016
		\$	\$
	Wages and salaries	731,812	842,856
	Social security costs	26,529	31,890
	Pension costs	29,670	29,872
		<u>788,011</u>	<u>904,618</u>
5	Directors' remuneration		
		2017	2016
		\$	\$
	Remuneration for qualifying services	201,358	205,832
	Company pension contributions to defined contribution schemes	5,000	5,000
		<u>206,358</u>	<u>210,832</u>
	Remuneration disclosed above include the following amounts paid to the highest paid director:		
		2017	2016
		\$	\$
	Remuneration for qualifying services	<u>144,600</u>	<u>125,832</u>
6	Operating profit		
	Operating profit for the year is stated after charging/(crediting):	2017	2016
		\$	\$
	Exchange losses/(gains)	(111,724)	(148,545)
	Fees payable to the company's auditors for the audit of the company's financial statements	22,197	41,240
	Depreciation of owned tangible fixed assets	5,699	11,953
	Operating lease charges	<u>107,205</u>	<u>111,494</u>
7	Interest receivable and similar income		
		2017	2016
		\$	\$
	Interest income		
	Other interest income	<u>185,708</u>	<u>179,693</u>

TRANSCARGO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2017**

8 Taxation

	2017	2016
	\$	\$
Current tax		
UK corporation tax on profits for the current period	115,913	110,191
	<u>115,913</u>	<u>110,191</u>

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

	2017	2016
	\$	\$
Profit before taxation	598,718	549,735
	<u>598,718</u>	<u>549,735</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	119,744	109,947
Tax effect of expenses that are not deductible in determining taxable profit	506	1,575
Effect of change in corporation tax rate	(7,365)	-
Depreciation	5,699	910
Capital allowances	(2,671)	(2,241)
	<u>115,913</u>	<u>110,191</u>
Taxation charge for the year	115,913	110,191
	<u>115,913</u>	<u>110,191</u>

A reduction in the UK corporation tax rate from 20% to 19% took effect from 1 April 2017. Further reductions in the UK corporation tax rate to 17% from 1 April 2020 have been announced but have not been substantively enacted.

TRANSCARGO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2017**

9 Tangible fixed assets

	Office equipment	Fixtures, fittings & equipment	Branch Assets	Total
	\$	\$	\$	\$
Cost				
At 1 January 2017	38,771	27,270	61,914	127,955
Additions	-	1,308	-	1,308
At 31 December 2017	38,771	28,578	61,914	129,263
Depreciation and impairment				
At 1 January 2017	38,771	12,769	60,296	111,836
Depreciation charged in the year	-	4,081	1,618	5,699
At 31 December 2017	38,771	16,850	61,914	117,535
Carrying amount				
At 31 December 2017	-	11,728	-	11,728
At 31 December 2016	-	14,501	1,618	16,119

10 Fixed asset investments

	2017 \$	2016 \$
Unlisted investments	220	-

Movements in fixed asset investments

	Investments other than loans \$
Cost or valuation	
At 1 January 2017	-
Additions	220
At 31 December 2017	220
Carrying amount	
At 31 December 2017	220
At 31 December 2016	-

TRANSCARGO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2017**

11 Debtors

	2017	2016
	\$	\$
Amounts falling due within one year:		
Trade debtors	1,595,571	1,827,499
Amounts owed by group undertakings	-	5,984,627
Amounts owed by undertakings in which the company has a participating interest	-	15,153,392
Finance leases receivable	230,542	276,648
Other debtors	178,263	188,445
Prepayments and accrued income	3,654,068	4,598,206
	<u>5,658,444</u>	<u>28,028,817</u>
	<u>5,658,444</u>	<u>28,028,817</u>
Amounts falling due after more than one year:		
Finance leases receivable	-	230,542
	<u>-</u>	<u>230,542</u>
Total debtors	<u>5,658,444</u>	<u>28,259,359</u>
	<u>5,658,444</u>	<u>28,259,359</u>

12 Finance lease receivables

	2017	2016
	\$	\$
Gross amounts receivable under finance leases:		
Within one year	456,000	456,000
In two to five years	397,000	380,000
	<u>853,000</u>	<u>836,000</u>
Earned finance income	(622,458)	(328,810)
	<u>230,542</u>	<u>507,190</u>
Present value of minimum lease payments receivable	<u>230,542</u>	<u>507,190</u>
The present value is receivable as follows:		
Within one year	230,542	276,648
In two to five years	-	230,542
	<u>230,542</u>	<u>507,190</u>
	<u>230,542</u>	<u>507,190</u>

Analysis of finance leases

The company entered into financial leasing arrangements for a mobile crane with LLC KZF Services on 8 September 2015. The average term of the finance lease entered into was 37 months.

The interest rate inherent in the lease is fixed at the contract date for all of the lease term. The average effective interest rate contracted approximates 21 per cent per annum.

TRANSCARGO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2017**

13 Creditors: amounts falling due within one year

	Notes	2017 \$	2016 \$
Bank loans and overdrafts	14	-	341
Trade creditors		11,106	20,700
Amounts due to group undertakings		1,566,034	21,491,237
Corporation tax		115,913	110,191
Other creditors		8,804	537,949
Accruals and deferred income		3,010,440	7,606,037
		<u>4,712,297</u>	<u>29,766,455</u>

14 Loans and overdrafts

	2017 \$	2016 \$
Bank overdrafts	-	341
	<u>-</u>	<u>341</u>
Payable within one year	-	341
	<u>-</u>	<u>341</u>

15 Retirement benefit schemes

	2017 \$	2016 \$
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	29,670	29,872
	<u>29,670</u>	<u>29,872</u>

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.

16 Share capital

	2017 \$	2016 \$
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
	<u>300,003</u>	<u>300,003</u>

17 Profit and loss reserves

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

Included within profit and loss reserves are non-distributable profits, as set out below:

TRANSCARGO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2017**

18 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:

	2017	2016
	\$	\$
Within one year	64,009	64,009
In over five years	576,082	576,082
	<u>640,091</u>	<u>640,091</u>

19 Related party transactions

The following amounts were outstanding at the reporting end date:

	2017	2016
	\$	\$
Amounts owed to related parties		
Other related parties	1,566,034	21,494,237
	<u>1,566,034</u>	<u>21,494,237</u>

The following amounts were outstanding at the reporting end date:

	2016
	Balance
	\$
Amounts owed in previous period	
Entities with control, joint control or significant influence over the company	5,984,627
Other related parties	15,132,236
	<u>21,116,863</u>

20 Cash generated from operations

	2017	2016
	\$	\$
Profit for the year after tax	482,805	439,544
Adjustments for:		
Taxation charged	115,913	110,191
Investment income	(185,708)	(179,693)
Depreciation and impairment of tangible fixed assets	5,699	11,953
Movements in working capital:		
Decrease/(increase) in debtors	22,600,915	(1,270,377)
(Decrease)/increase in creditors	(25,059,539)	1,089,048
Cash (absorbed by)/generated from operations	<u>(2,039,915)</u>	<u>200,666</u>

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.