

Merzario Ltd

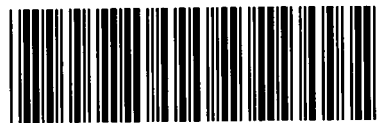
Directors' Report and Financial Statements

Year Ended

31 December 2017

Company Number 06723792

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Merzario Ltd

Company Information

Directors	N D De Ruiter L F Gipson
Registered number	06723792
Registered office	Essex Technology and Innovation Centre The Gables Fyfield Road Ongar Essex CM5 0GA
Independent auditor	BDO LLP 31 Chertsey Street Guildford Surrey GU1 4HD

Merzario Ltd

Contents

	Page
Directors' Report	1
Directors' Responsibilities Statement	2
Independent Auditor's Report	3 - 5
Statement of Comprehensive Income	6
Balance Sheet	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9 - 15

Merzario Ltd

Directors' Report For the Year Ended 31 December 2017

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

Principal activity

The principal activity of the Company is the provision of customised logistics solutions for air and ocean freight.

Directors

The directors who served during the year were:

N D De Ruiter
L F Gipson

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 21-09-2018

and signed on its behalf.



N D De Ruiter
Director

Merzario Ltd

Directors' Responsibilities Statement

The directors are responsible for preparing the Directors' 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; 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 adequate accounting records that are sufficient to show and explain the Company's transactions and to 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.

Merzario Ltd

Independent Auditor's Report to the Members of Merzario Ltd

Opinion

We have audited the financial statements of Merzario Ltd ("the Company") for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity 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 Financial Reporting Standard 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 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.

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.

Merzario Ltd

Independent Auditor's Report to the Members of Merzario Ltd (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' 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 the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 Director's Report.

We have nothing to report in respect of the following matters in relation to which 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 to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Merzario Ltd

Independent Auditor's Report to the Members of Merzario Ltd (continued)

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 at the Financial Reporting Council's website at: <https://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.

BDO LLP

Nick Poulter (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Guildford
United Kingdom

Date: 24 SEPTEMBER 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Merzario Ltd

Statement of Comprehensive Income For the Year Ended 31 December 2017

	Note	2017 £	2016 £
Turnover		1,528,270	1,449,365
Cost of sales		(1,339,109)	(1,152,551)
Gross profit		189,161	296,814
Administrative expenses		(224,002)	(238,482)
Operating (loss)/profit	3	(34,841)	58,332
Interest receivable and similar income		-	47
Interest payable and expenses		(169)	-
(Loss)/profit before tax		(35,010)	58,379
Tax on (loss)/profit		6,174	(11,037)
(Loss)/profit for the financial year		(28,836)	47,342

There was no other comprehensive income for 2017 (2016: £NIL).

The notes on pages 9 to 15 form part of these financial statements.

Merzario Ltd
Registered number: 06723792

Balance Sheet
As at 31 December 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	6		26,910		33,930
Current assets					
Debtors: amounts falling due within one year	7	264,162		396,354	
Cash and cash equivalents	8	137,318		65,500	
		<u>401,480</u>		<u>461,854</u>	
Creditors: amounts falling due within one year	9	(313,682)		(351,112)	
Net current assets			87,798		110,742
Total assets less current liabilities			<u>114,708</u>		<u>144,672</u>
Provisions for liabilities					
Deferred tax	10	(4,277)		(5,405)	
			<u>(4,277)</u>		<u>(5,405)</u>
Net assets			<u>110,431</u>		<u>139,267</u>
Capital and reserves					
Called up share capital	11	10,000		10,000	
Profit and loss account	12	100,431		129,267	
Total equity			<u>110,431</u>		<u>139,267</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21-09-2018


N-D De Ruiter
Director

The notes on pages 9 to 15 form part of these financial statements.

Merzario Ltd

Statement of Changes in Equity For the Year Ended 31 December 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017	10,000	129,267	139,267
Comprehensive income for the year			
Loss for the year	-	(28,836)	(28,836)
Total comprehensive income for the year	-	(28,836)	(28,836)
At 31 December 2017	10,000	100,431	110,431

Statement of Changes in Equity For the Year Ended 31 December 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	10,000	81,925	91,925
Comprehensive income for the year			
Profit for the year	-	47,342	47,342
Total comprehensive income for the year	-	47,342	47,342
At 31 December 2016	10,000	129,267	139,267

The notes on pages 9 to 15 form part of these financial statements.

Merzario Ltd

Notes to the Financial Statements For the Year Ended 31 December 2017

1. General information

Merzario Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act. The address of the registered office is given in the Company Information page and the nature of the company's operations and principal activities are given in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. There has not been any estimation uncertainties in the application of the accounting policies.

The following principal accounting policies have been applied:

2.2 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Turnover associated to import services is recognised based on the date of arrival in the UK. Turnover associated to export services is recognised based on date of departure from the UK.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives. It is calculated at the following rates:

Motor vehicles	-	20% straight line basis
Computer equipment	-	20% straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Merzario Ltd

Notes to the Financial Statements For the Year Ended 31 December 2017

2. Accounting policies (continued)

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.6 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to and from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Merzario Ltd

Notes to the Financial Statements For the Year Ended 31 December 2017

2. Accounting policies (continued)

2.8 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.9 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Merzario Ltd

Notes to the Financial Statements For the Year Ended 31 December 2017

3. Operating (loss)/profit

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

	2017 £	2016 £
Depreciation of tangible fixed assets	7,020	5,752
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	11,000	11,000
Exchange differences	12,671	(8,173)

4. Employees

The average monthly number of employees, including directors, during the year was 5 (2016 - 6).

5. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	61,992	53,000

6. Tangible fixed assets

	Motor vehicles £	Computer equipment £	Total £
Cost			
At 1 January 2017	35,100	6,011	41,111
At 31 December 2017	35,100	6,011	41,111
Depreciation			
At 1 January 2017	1,170	6,011	7,181
Charge for the year on owned assets	7,020	-	7,020
At 31 December 2017	8,190	6,011	14,201
Net book value			
At 31 December 2017	26,910	-	26,910
At 31 December 2016	33,930	-	33,930

Merzario Ltd

Notes to the Financial Statements For the Year Ended 31 December 2017

7. Debtors

	2017 £	2016 £
Trade debtors	173,396	162,628
Amounts owed by group undertakings	30,711	123,942
Other debtors	59,690	108,183
Prepayments and accrued income	365	1,601
	<u>264,162</u>	<u>396,354</u>

The impairment loss recognised in profit or loss for the year in respect of bad and doubtful trade debtors was £Nil (2016: £7,182).

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

8. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	137,318	65,500
	<u>137,318</u>	<u>65,500</u>

9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	161,736	201,807
Amounts owed to group undertakings	75,951	2,245
Corporation tax	-	5,046
Other taxation and social security	5,146	5,146
Other creditors	19,203	67,124
Accruals and deferred income	51,646	69,744
	<u>313,682</u>	<u>351,112</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

Merzario Ltd

Notes to the Financial Statements For the Year Ended 31 December 2017

10. Deferred taxation

	2017 £
At beginning of year	(5,405)
Credited to profit and loss	1,128
At end of year	<u>(4,277)</u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	<u>4,277</u>	<u>5,405</u>

11. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid 10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

12. Reserves

The company has the following reserves:

Profit and loss account

The profit and loss account represents cumulative profits and losses net of dividends paid and other adjustments.

Merzario Ltd

Notes to the Financial Statements For the Year Ended 31 December 2017

13. Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	5,755	13,812
Later than 1 year and not later than 5 years	-	5,714
	<u>5,755</u>	<u>19,526</u>

14. Related party transactions

The Company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertakings of the group.

Merzario B.V. is a fellow group company. At the year end an amount of £14,314 was due by the Company to Merzario B.V. (2016: £16,694 due to Merzario B.V.) During the year £324,869 of sales were made to Merzario B.V. by the company (2016: £58,424) and £72,207 of purchases were made by the Company from Merzario B.V. (2016: £59,996).

15. Controlling party

The company's immediate parent undertaking is Neques Management B.V.

The largest group in which the results of the Company are consolidated is that headed by Neques Holding B.V. incorporated in the Netherlands. The smallest group in which they are included is that headed by Tim Logistics B.V. incorporated in the Netherlands.

Consolidated accounts for Neques Holding B.V. are available to the public from the Chamber of Commerce, the Netherlands, and consolidated accounts for Tim Logistics B.V. are not prepared. The registered address for Neques Holding B.V. is Brouwerstraat 30, 2984 AR Ridderkerk, Netherlands.

In the opinion of the directors, Neques Holding B.V. is the ultimate controlling party.