# E.G.Thomson (Holdings) Limited

Directors' report and audited consolidated financial statements

For the year ended

31 March 2019

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Registered number SC029873

## Contents

## Company information

| | |
|---|---|
| Directors | W R E Thomson (Chairman)<br>C W Young<br>E A G Asseily (non-executive)<br>D Keith-Welsh (non-executive)<br>B G Kilpatrick (non-executive)<br>C J McDermid (non-executive)<br>E J A Thomson (non-executive)<br>P R H Thomson (non-executive)<br>W J E Thomson (non-executive) |
| Secretary | The City Partnership (UK) Limited |
| Independent Auditors | PricewaterhouseCoopers LLP<br>Chartered Accountants and Statutory Auditors<br>Atria One<br>144 Morrison Street<br>Edinburgh<br>EH3 8EX |
| Registered office | 110 George Street<br>Edinburgh<br>EH2 4LH |

## Strategic report

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

### Principal activities

The group's principal activities, all of which are carried out in Asia Pacific by Ben Line Agencies Limited, are the provision of agency and shipping related services to that company's Principals, freight forwarding and logistics related services, and the services of a correspondent agent for protection and indemnity clubs. In addition, in the UK the group's activities include investment in both quoted and unquoted companies, property management and development and operation of a biomass heat generating facility.

There have been no significant changes in the nature of these activities during the financial year.

### Financial and operational risk management

The group's activities expose it to a number of financial and operational risks. The principal financial risks include the effects of the currency market, credit and working capital risks. The group manages its foreign currency exposure by retaining funds in various currencies. It has established policies and systems in place that require appropriate credit checks on potential customers before sales are made and a robust debt monitoring and collection procedures to ensure payment of amounts due are received.

The group's turnover arises from a number of activities. Each of these activities involves differing levels of financial risk, linked to the amount of working capital employed from time to time by the individual activity and the rate at which that activity is growing. The largest element of the group's income comprises fees and commissions received in relation to agency services carried out on behalf of the group's shipping customers. In the year ended 31 March 2019 such fees and commissions amounted to approximately £41.6M. These fees and commissions represent a very small proportion of the actual value of the transactions to which they relate – typically between 5% and 10%. Consequently, the value of cash transactions related to these activities can range between 10 and 20 times the value of fees and commissions received. Accordingly, the balance of cash required by the group to fund its agency activities is high in relation to the amount of net revenues generated. Specifically, substantial cash advances are received from Principals and held by the group for a period pending settlement of obligations incurred by the group on behalf of Principals. Also, the group may expend significant amounts of its own cash in order to meet obligations to creditors of Principals, pending reimbursement from those Principals. The group therefore requires to maintain sufficient cash reserves to meet these obligations and to cover the risk that a Principal, on behalf of whom payments have been made in advance of reimbursement, may default and the group suffer a consequent bad debt loss.

Operational risks to which the group is exposed include maintenance of service levels to customers, loss of reputation and failure to comply with international trade sanctions, anti-money laundering and anti-bribery legislation and regulations. The group operates IT systems with appropriate back-up and disaster recovery procedures to ensure maintenance of appropriate service levels to customers. It is a member of a number of internationally recognised organisations established to ensure compliance with all relevant trade sanction and anti-corruption regulations and has adopted relevant procedures and protocols recommended by such bodies to ensure appropriate and ongoing compliance with all relevant legislation relating to such matters.

### Principal risks and uncertainties

As an investment holding company the board of E.G.Thomson (Holdings) Limited seeks to ensure that the company holds a diverse range of assets in order to spread its risk and reduce its dependence on any single asset class. Accordingly, in addition to owning and operating certain assets directly, the group holds a portfolio of both quoted and unquoted securities issued by companies engaged in a broad range of activities.

Through its subsidiary Ben Line Agencies Limited the group is exposed to the fluctuations of international trade, particularly as it affects trade within the Asia Pacific region. However, by having a spread of operations throughout Asia Pacific the group is able to mitigate the risks of exposure to any single geographic market. Risks are further mitigated through acting for a broad range of principals and operating in a diverse range of shipping related sectors including the liner agency, port agency, freight forwarding, project logistics and offshore support industries.

As an investor in relatively small, private equity financed companies based in the UK the group is exposed to the day to day trading and operating challenges faced by such companies and also the challenges faced by such companies when they wish to raise additional capital.

As the majority of the group's operations are based in Asia Pacific the Board does not expect the outcome of the current Brexit uncertainties to have a material impact on the group's profitability going forward.

## Strategic report (continued)

### Key performance indicators

The key performance indicators used by the group with regard to its Asia Pacific based interests are the value of sales, the volume of port agency service calls, the spread of the client base and the ratio of employee compensation to revenue.

For its other assets, including its portfolios of quoted and unquoted investments, the key indicator used by the board to assess performance is the return achieved on capital employed which will range between 5% and 30% depending on the perceived degree of risk involved.

### Results and dividends

Notwithstanding the continuing general slowdown of the shipping industry in the market in which the group operates, during the year the revenue generated by the group's shipping agency business increased, partly as a result of the strengthening of the US dollar against sterling. As a result, turnover of the shipping agency subsidiary increased by 14.2% from £55.5M to £63.4M. A further £581.6k was invested in the company's private equity portfolio and a number of private equity and listed investments were sold during the year, generating net profits of £356k.

During the year dividends totalling £1,485k were paid to the company's ordinary shareholders, the balance of profit generated being transferred to reserves. The Company paid a further dividend of £742k in July 2019.

At 31 March 2019 the consolidated net assets of the group were £31.5M.

### Future outlook

The board intends to continue to expand its shipping agency interests through controlled diversification and to invest further in its portfolio of investments in private equity financed companies, both directly and in combination with other co-investors.

Notwithstanding the ongoing consolidation within the container shipping industry and the potential consequence to the Group of losing some of its deep-sea liner Principals, the Group continues to attract new business with new Principals, many of whom operate primarily within the vibrant Asia region. In addition, with the gradual recovery in the oil price the Group is witnessing an improvement in its expanding offshore and integrated logistics businesses. While trading conditions are expected to remain challenging as a consequence of the many uncertainties currently prevalent in the global economy the Group expects trading during the current 2019-20 financial year to be satisfactory nonetheless.

Approved by the Board on 10 December 2019.

**C W Young**
Director
Edinburgh
10 December 2019

## Directors' report

The directors present their report and the audited consolidated financial statements of the group for the year ended 31 March 2019.

**Results for the year**

The results for the year to 31 March 2019 are set out in the Consolidated Statement of Comprehensive Income on page 8. The profit for the year after taxation and minority interests amounted to £2,577,382 (2018: £1,206,991). Dividends totalling £1,484,736 were paid during the financial year ended 31 March 2019. Since the year end a further dividend of £742,368 was paid in July 2019.

**Directors**

The directors of the Company are shown on page 1. All directors were in office at the beginning and end of the year.

The Company has third party indemnity insurance on behalf of the directors.

**Charitable donations**

During the year the Group made no charitable donations (2018: £nil).

**Financial risk management**

Please refer to Strategic Report on page 2.

**Disabled Employees**

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the group continues and the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

**Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Directors' report** (continued)

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the group and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group and company's auditors are aware of that information.

## Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the annual general meeting.

Approved by the Board on 10 December 2019

**C W Young**
Director
Edinburgh
10 December 2019

# *Independent auditors' report to the members of E.G. Thomson (Holdings) Limited*

## Report on the audit of the financial statements

### Opinion

In our opinion, E.G. Thomson (Holdings) Limited's group financial statements and parent company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2019 and of the group's profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' report and audited consolidated financial statements (the "Annual Report"), which comprise: the Consolidated and Company balance sheets as at 31 March 2019; the Consolidated statement of comprehensive income, the Consolidated statement of cash flows, and the Consolidated and Company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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 group's and parent 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and parent company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the group's trade, customers, suppliers and the wider economy.

# *Independent auditors' report to the members of E.G. Thomson (Holdings) Limited*

## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

*Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

## Responsibilities for the financial statements and the audit

*Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

*Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

# *Independent auditors' report to the members of E.G. Thomson (Holdings) Limited*

*Use of this report*

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
-
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Paul Cheshire (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

10 December 2019

## Consolidated statement of comprehensive income

for the year ended 31 March 2019

| | Note | 2019 £ | 2018 £ |
|---|---|---|---|
| **Revenue** | *4* | **66,869,586** | 59,258,228 |
| Trading and administration expenses | | **(61,778,352)** | (54,143,861) |
| **Operating profit** | *5* | **5,091,234** | 5,114,367 |
| Other income | *6* | **3,449,695** | 1,300,242 |
| Share of (loss) from associated undertakings | | **(279,746)** | (471,256) |
| **Profit on ordinary activities before taxation** | | **8,261,183** | 5,943,353 |
| Tax on profit on ordinary activities | *10* | **(2,094,499)** | (1,884,143) |
| **Profit on ordinary activities after taxation** | | **6,166,684** | 4,059,210 |
| Minority interests | | **(3,589,302)** | (2,852,219) |
| **Profit for the financial year** | | **2,577,382** | 1,206,991 |

**Consolidated statement of comprehensive income**

| | | 2019 £ | 2018 £ |
|---|---|---|---|
| Profit for the financial year | | **2,577,382** | 1,206,991 |
| Currency translation differences | | **489,266** | (1,902,568) |
| Post-employment benefit remeasurement adjustments | | **(147,912)** | 11,866 |
| **Total comprehensive income/(expense) for the year** | | **2,918,736** | (683,711) |

## Consolidated balance sheet

as at 31 March 2019

| | *Note* | | **2019** | | 2018 |
|---|---|---|---|---|---|
| | | **£** | **£** | £ | £ |
| **Fixed assets** | | | | | |
| Intangible assets | *12* | | **271,553** | | 358,448 |
| Property, plant and equipment | *13* | | **2,190,119** | | 2,129,204 |
| Investments | *14* | | **10,176,178** | | 9,884,475 |
| Investments in associated companies | *15* | | **897,540** | | 809,763 |
| Other non-current assets | *17* | | **3,176,166** | | 1,588,708 |
| | | | **16,711,556** | | 14,770,598 |
| **Current assets** | | | | | |
| Trade and other receivables | *18* | **41,039,125** | | 40,714,704 | |
| Other current assets | *20* | **7,913,375** | | 4,056,487 | |
| Cash and cash equivalents | *19* | **40,986,508** | | 34,375,974 | |
| | | **89,939,008** | | 79,147,165 | |
| **Creditors:** amounts falling due within one year | *21* | **(73,000,885)** | | (63,412,444) | |
| **Net current assets** | | | **16,938,123** | | 15,734,721 |
| **Total assets less current liabilities** | | | **33,649,679** | | 30,505,319 |
| Creditors: amounts falling due after more than one year | *22* | | **(2,137,513)** | | (1,272,680) |
| **Net assets** | | | **31,512,166** | | 29,232,639 |
| **Capital and reserves** | | | | | |
| Called up share capital | | | **37,085** | | 37,085 |
| Investment revaluation reserve | | | **1,582,240** | | 1,582,240 |
| Consolidation revaluation reserve | | | **(949,237)** | | (949,237) |
| Capital redemption reserve | | | **12,915** | | 12,915 |
| Post-employment benefit remeasurement reserve | | | **(124,447)** | | 23,465 |
| Foreign currency translation reserve | | | **(129,938)** | | (619,204) |
| Retained earnings | | | **20,609,529** | | 19,516,881 |
| **Equity attributable to the owners of the company** | | | **21,038,147** | | 19,604,145 |
| Total non-controlling interests | | | **10,474,019** | | 9,628,494 |
| **Total equity** | | | **31,512,166** | | 29,232,639 |

The notes on pages 15 to 33 are an integral part of these financial statements

The financial statements on pages 9 to 33 were authorised for issue by the board of directors on 10 December 2019 and were signed on its behalf by:

**W R E Thomson**
**Director**

## Company balance sheet

as at 31 March 2019

| | Note | | 2019 | | 2018 |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Fixed assets** | | | | | |
| Property, plant and equipment | 13 | | 50,935 | | 162,226 |
| Investments | 14 | | 10,176,178 | | 9,884,475 |
| Investment in subsidiaries | | | 2,600,398 | | 2,600,398 |
| | | | 12,827,511 | | 12,647,099 |
| **Current assets** | | | | | |
| Trade and other receivables | 18 | 449,944 | | 453,230 | |
| Other current assets | 20 | 346,688 | | 104,530 | |
| Cash and cash equivalents | 19 | 1,488,690 | | 1,055,795 | |
| | | 2,285,322 | | 1,613,555 | |
| **Creditors:** amounts falling due within one year | 21 | (241,376) | | (371,913) | |
| **Net current assets** | | | 2,043,946 | | 1,241,642 |
| Total assets less current liabilities | | | 14,871,457 | | 13,888,741 |
| **Net assets** | | | 14,871,457 | | 13,888,741 |
| **Capital and reserves** | | | | | |
| Called up share capital | | | 37,085 | | 37,085 |
| Revaluation reserve | | | 1,582,240 | | 1,582,240 |
| Capital redemption reserve | | | 12,915 | | 12,915 |
| Retained earnings | | | | | |
| At 1 April | | | 12,256,501 | | 11,828,397 |
| Profit for the year attributable to the owners after dividends at 31 March | | | 982,716 | | 428,104 |
| | | | 13,239,217 | | 12,256,501 |
| **Total equity** | | | 14,871,457 | | 13,888,741 |

The company financial statements were approved by the board of directors on 10 December 2019 and were signed on its behalf by:

**W R E Thomson**
**Director**

**Consolidated statement of changes in equity**

| | Called-up share capital | Investment revaluation reserve | Other reserves | Retained earnings | Total | Minority interests | Total equity |
|---|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ | £ |
| Balance as at 1 April 2018 | 37,085 | 1,582,240 | (1,532,061) | 19,516,881 | 19,604,145 | 9,628,494 | 29,232,639 |
| Profit for the year | - | - | - | 2,577,382 | 2,577,382 | 3,589,302 | 6,166,684 |
| Other comprehensive income for the year | - | - | 341,354 | - | 341,354 | 78,153 | 419,507 |
| Total comprehensive income for the year | - | - | 341,354 | 2,577,382 | 2,918,736 | 3,667,455 | 6,586,191 |
| Dividends | - | - | - | (1,484,734) | (1,484,734) | (2,821,930) | (4,306,664) |
| **Balance as at 31 March 2019** | **37,085** | **1,582,240** | **(1,190,707)** | **20,609,529** | **21,038,147** | **10,474,019** | **31,512,166** |
| Balance as at 1 April 2017 | 37,085 | 1,582,240 | 358,641 | 19,719,120 | 21,697,086 | 9,793,557 | 31,490,643 |
| Profit for the year | - | - | | 1,206,991 | 1,206,991 | 2,852,219 | 4,059,210 |
| Other comprehensive expense for the year | - | - | (1,890,702) | - | (1,890,702) | (54,438) | (1,945,140) |
| Total comprehensive expense for the year | - | - | (1,890,702) | 1,206,991 | (683,711) | 2,797,781 | 2,114,070 |
| | | - | - | - | | | |
| Dividends | - | - | | (1,409,230) | (1,409,230) | (2,962,844) | 4,372,074 |
| Balance as at 31 March 2018 | 37,085 | 1,582,240 | (1,532,061) | 19,516,881 | 19,604,145 | 9,628,494 | 29,232,639 |

**Company statement of changes in equity**

| | Called-up share capital | Investment Revaluation reserve | Other reserves | Retained earnings | Total equity |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Balance as at 1 April 2018 | 37,085 | 1,582,240 | 12,915 | 12,256,501 | 13,888,741 |
| Profit for the year | - | - | - | 2,467,451 | 2,467,451 |
| Dividends | - | - | - | (1,484,735) | (1,484,735) |
| Retained earnings for the year | - | - | - | 982,716 | 982,716 |
| **Balance as at 31 March 2019** | **37,085** | **1,582,240** | **12,915** | **13,239,217** | **14,871,457** |
| Balance as at 1 April 2017 | 37,085 | 1,582,240 | 12,915 | 11,828,397 | 13,460,637 |
| Profit for the year | - | - | - | 1,837,334 | 1,837,334 |
| Dividends | | | | (1,409,230) | (1,409,230) |
| Retained earnings for the year | - | - | - | 428,104 | 428,104 |
| Balance as at 31 March 2018 | 37,085 | 1,582,240 | 12,915 | 12,256,501 | 13,888,741 |

## Consolidated statement of cash flows
for the year ended 31 March 2019

| | Note | | 2019 | | 2018 |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| Net cash from operating activities *(Note below)* | | 11,538,435 | | 2,871,031 | |
| Taxation paid | | (1,619,384) | | (1,403,513) | |
| **Net cash generated from operating activities** | | | 9,919,051 | | 1,467,518 |
| **Cash flow from investing activities** | | | | | |
| Purchase of tangible fixed assets | | (987,802) | | (1,094,352) | |
| Disposal of fixed assets | | 96,609 | | 99,605 | |
| Purchase of additional interest in an associated company | | (460,722) | | (647,563) | |
| Purchase of investments | | (853,815) | | (721,961) | |
| Purchase of financial assets | | (1,088,444) | | - | |
| Disposal of investments | | 1,098,241 | | 589,556 | |
| Interest received | | 345,147 | | 212,025 | |
| Income from investments | | 231,461 | | 206,717 | |
| Other income | | 655,993 | | 267,751 | |
| **Net cash used in investing activities** | | | (963,332) | | (1,088,221) |
| **Cash flow from financing activities** | | | | | |
| Decrease in borrowings | | (5,997) | | (15,473) | |
| Dividends paid to minority interests | | (2,821,930) | | (2,962,844) | |
| Interest paid | | (4,687) | | (6,525) | |
| Equity dividends paid to shareholders | | (1,484,735) | | (1,409,230) | |
| **Net cash used in financing activities** | | | (4,317,349) | | (4,394,072) |
| **Increase/(decrease) in net cash** | | | 4,638,370 | | (4,014,775) |
| **Cash and cash equivalents at the beginning of the year** | | | 34,375,974 | | 38,221,100 |
| Net cash inflow from management of liquid resources | | | - | | 15,473 |
| Exchange gains on cash and cash equivalents | | | 1,972,164 | | 154,176 |
| **Cash and cash equivalents at the end of the year** | 19 | | 40,986,508 | | 34,375,974 |

*Note*

***Reconciliation of operating profit to net cash flow from operating activities***

| | 2019 £ | 2018 £ |
|---|---|---|
| Operating profit | 5,091,234 | 5,114,367 |
| Depreciation and asset write-off charges | 948,135 | 793,033 |
| Goodwill amortisation | 86,895 | 86,898 |
| (Increase) in debtors | (4,615,645) | (5,180,560) |
| Increase in creditors | 10,027,816 | 2,057,293 |
| **Net cash inflow from operating activities** | 11,538,435 | 2,871,031 |

## Notes to the financial statements

These notes form an integral part of and should be read in conjunction with the accompanying consolidated financial statements.

### 1. General information

E.G.Thomson (Holdings) Limited and its subsidiaries (together "the Group") provide agency and shipping related services, freight forwarding and logistics related services, and the services of a correspondent agent for protection and indemnity clubs in Asia. In addition, in the UK the Group invests in both quoted and unquoted companies, manages property and operates a biomass heat generating facility.

The Company is a private company limited by shares and is incorporated in Scotland. The address of its registered office is 110 George Street, Edinburgh EH2 4LH.

### 2. Statement of compliance

The Group and individual financial statements of E.G.Thomson (Holdings) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

### 3. Significant accounting policies

The principal accounting policies applied in preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Basis of preparation

The consolidated financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. It also requires the use of certain critical accounting estimates and assumptions. There are no areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the consolidated financial statements.

The Company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual profit and loss account and individual cash flow statement. The Company has also taken advantage of the exemption from preparing a statement of cash flows on the basis that it is a qualifying entity and the consolidated statement of cash flows included in these financial statements includes the Company's cash flows.

3.2 Basis of consolidation

The consolidated profit and loss account and balance sheet comprise the results of the company and its subsidiary undertakings, (including its principal subsidiary – Ben Line Agencies Limited) for the period ended 31 March 2019. Intra group sales and profits are eliminated fully on consolidation. Annual financial statements have been prepared for E G Thomson (Holdings) Limited to 31 March each year and these financial statements have been used as the basis for preparing the group financial statements. Uniform accounting policies have been applied across the group.

3.3 Foreign currency

(i) Functional and presentation currency

The Group financial statements are presented in pounds sterling. The functional currency of the Company's principal subsidiary, Ben Line Agencies Limited, is the United States dollar.

(ii) Transactions and balances

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

**Notes to the financial statements** (continued)

**3. Significant accounting policies** (continued)

3.3 Foreign currency (continued)

(iii) Translation

The trading results of Group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the year end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in 'Other comprehensive income' and allocated to non-controlling interest as appropriate.

3.4 Revenue

Revenue comprises the fair value of the consideration received for the rendering of services in the ordinary course of the Group's activities. Revenue is presented net of value-added tax, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of the revenue and related cost can be reliably measured and when it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

*a) Ship agency, freight forwarding and logistics services*

Revenue from the provision of ship agency, freight forwarding and logistics services is recognised over time based on a fixed price per unit which is stipulated in the terms of contract.

*b) Insurance services*

Revenue from the provision of protection and indemnity club correspondent agency services is recognised over time in the period that services are rendered. This is determined based on the actual labour hours incurred and rates agreed with the protection and indemnity clubs.

*c) Property management*

Revenue from property management is recognised when rents have become due and ancillary services have been rendered to the tenants of managed properties.

*d) Operation of biomass heat generating facility*

Revenue from the biomass heat generating facility is recognised when heat has been supplied to the properties served by the facility.

3.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is calculated using the straight line method to write off the cost of the assets net of estimated residual values over their estimated useful lives as follows:

| | Useful lives |
|---|---|
| Leasehold improvement | 3 to 6 years |
| Office furniture and equipment | 3 to 8 years |
| Motor vehicles | 3 to 8 years |
| Plant and machinery | 20 years |

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

**Notes to the financial statements** (continued)

## 3. Significant accounting policies (continued)

### 3.6 Intangible assets

Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Goodwill arising on acquisition has been capitalised. Goodwill is amortised over 10 years. The directors evaluate the carrying value of goodwill in each financial year to determine if there has been an impairment in value which would result in the inability to recover the carrying amount. When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the profit and loss account.

### 3.7 Investments

Marketable and unmarketable securities are treated as long-term investments. Marketable securities are valued at fair value and changes in fair value are recognised in the profit and loss account for the year. Unmarketable securities are valued at cost as these investments are not tradable and hence it is difficult to determine their fair value, unless the directors consider that there has been a permanent diminution in the value of the asset, in which case the amount of the diminution is recognised in the profit and loss account for the year.

Investments in subsidiary and associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

The values of properties which are owned by the company are reviewed annually and the aggregate surplus or deficit is recognised in the profit and loss account for the year. No depreciation or amortisation is provided in respect of properties. It is the opinion of the directors that, as these properties are held for business purposes and not for consumption, a systematic annual charge for depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation or amortisation is one of several factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately quantified.

### 3.8 Inventory

Inventories are stated at the lower of cost and estimated net realisable value. Cost is based on the first-in first-out principle.

### 3.9 Trade and other receivables

Trade and other receivables are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for, example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

### 3.10 Trade and other payables

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

### 3.11 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

*Pension benefits*

The Group operates both defined benefit and defined contribution post-employment benefit plans.

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee compensation expense when they are due.

**Notes to the financial statements** (continued)

3. **Significant accounting policies** (continued)

3.11 Employee compensation (continued)

Defined benefit plans are post-employment benefit pension plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of a defined benefit pension plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and have tenures approximating to that of the related post-employment benefit obligations.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period when they arise.

Past service costs are recognised immediately in profit or loss.

3.12 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

**Notes to the financial statements** (continued)

## 3. Significant accounting policies (continued)

3.13 Critical accounting judgments and estimation of uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management believes the following to involve a high degree of judgement and estimates.

*Impairment of assets*

The Group considers whether assets are impaired. Where an indication of impairment is identified the estimation of recoverable value involves the use of valuation techniques. 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 that are not publicly traded and whose fair values cannot be measured reliably are measured at cost unless the Directors believe there has been a permanent diminution in value. In assessing whether or not there has been a permanent diminution in value the Directors consider the underlying company's ability to meet its fixed obligations and also the valuation basis used to value comparable companies of similar size and operating in the same commercial sector.

## 4. Revenue

An analysis of the turnover of the Group by market sector is given below:-

| | 2019<br>£ | 2018<br>£ |
|---|---|---|
| Asia Pacific | **66,801,543** | 59,186,336 |
| United Kingdom | **68,043** | 71,892 |
| | **66,869,586** | 59,258,228 |

An analysis of the turnover of the Group by activity is given below:-

| | | |
|---|---|---|
| Shipping agency operations | **63,359,886** | 55,518,057 |
| Insurance correspondent services | **3,441,658** | 3,668,279 |
| Property management | **45,001** | 49,980 |
| Operation of biomass heat generating facility | **23,042** | 21,912 |
| | **66,869,587** | 59,258,228 |

## 5. Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging:

| | | |
|---|---|---|
| Staff costs charged to profit and loss account | **35,469,996** | 32,023,709 |
| Impairment of trade receivables | **274,747** | 417,508 |
| Operating lease charges | **966,014** | 955,623 |
| Depreciation | **948,135** | 793,033 |
| Amortisation of goodwill | **86,895** | 86,898 |
| Auditors' remuneration: | | |
| Fees payable to Company's auditor for audit of Parent Company and consolidated financial statements | **25,424** | 20,800 |
| Fees paid to the Company's auditors for other services: | | |
| The audit of the Company's subsidiaries | **353,094** | 341,943 |
| Tax compliance services | **78,137** | 50,536 |
| Tax advisory services | **49,719** | 48,094 |
| Total amount payable to the Company's auditor | **506,374** | 461,373 |

**Notes to the financial statements** (continued)

## 6. Other income

| | 2019 £ | 2018 £ |
|---|---|---|
| Income from investments | **79,553** | 206,717 |
| Interest income | **345,147** | 212,025 |
| Gain on disposal of investments | **356,033** | 219,383 |
| Gain on disposal of property, plant and equipment | **35,909** | 64,863 |
| Unrealised (loss)/gain on revaluation of listed investments | **269,861** | (157,553) |
| Write down in value of unquoted investments | **(89,765)** | (125,001) |
| Net currency translation gain | **1,796,964** | 39,235 |
| Government grant – Special Employment Credit | **31,669** | 59,631 |
| Negative goodwill arising on acquisition | **-** | 115,578 |
| Other income | **624,324** | 665,364 |
| | **3,449,695** | 1,300,242 |

The Special Employment Credit was introduced in the Singapore Budget 2011 to provide employers with continuing support to hire older low-wage Singaporean workers. The five-year scheme grant amount would be dependent on the fulfilment of the conditions as stated in the scheme.

## 7. Directors' emoluments

| | | |
|---|---|---|
| Aggregate emoluments for qualifying services | **453,293** | 521,816 |
| Employer's contribution to defined contribution plans | **3,225** | 3,100 |
| Benefits in kind | **24,068** | 16,046 |
| | **480,586** | 540,962 |

The number of directors for whom retirement benefits are accruing under money purchase schemes amounted to 2 (2018: 2).

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

| | | |
|---|---|---|
| Aggregate emoluments for qualifying services | **214,274** | 229,680 |
| Employer's contribution to defined contribution plans | **-** | - |
| Benefits in kind | **3,788** | 3,520 |
| | **218,062** | 233,200 |

Aggregate emoluments for qualifying services

**Key management compensation**

| | | |
|---|---|---|
| Salaries and other short-term benefits | **4,270,666** | 3,763,590 |

## 8. Staff costs

| | | |
|---|---|---|
| Wages and salaries | **30,058,675** | 27,177,440 |
| Employer's contribution to defined contribution plans | **2,362,928** | 2,416,609 |
| Other benefits | **3,048,393** | 2,429,660 |
| | **35,469,996** | 32,023,709 |

The average monthly number of persons employed by the group, including directors, is as follows:

| | | |
|---|---|---|
| Administration, finance, HR, IT | **522** | 427 |
| Sales, marketing, logistics and documentation | **920** | 800 |
| Operations | **427** | 453 |
| | **1,869** | 1,680 |

The average monthly number of persons employed by the company, including directors, is as follows:

| | | |
|---|---|---|
| Administration, finance, HR, IT | **11** | 11 |

**Notes to the financial statements** (continued)

## 9. Finance expenses

| | 2019 £ | 2018 £ |
|---|---|---|
| Interest expense | | |
| - Finance leases | **1,764** | 1,960 |
| - Bank loans | **2,923** | 4,565 |
| | **4,687** | 6,525 |

## 10. Tax on profit on ordinary activities

(a) Corporation tax expense

Tax expense attributable to profit is made up of:

| | 2019 £ | 2018 £ |
|---|---|---|
| - Current UK corporation tax | **(145,438)** | 145,438 |
| - Overseas current tax charge | **2,210,358** | 1,712,279 |
| - Deferred tax | **25,711** | 19,999 |
| | **2,090,631** | 1,877,716 |
| Under provision in preceding financial years | | |
| - Overseas income tax | **3,868** | 6,427 |
| | **2,094,499** | 1,884,143 |

The tax expense on profit differs from the amount that would arise using the UK's standard rate of corporation tax due to following factors:

| | 2019 £ | 2018 £ |
|---|---|---|
| Profit before income tax | **8,261,183** | 5,943,353 |
| Tax calculated at tax rate of 19% (2018: 19%) | **1,569,625** | 1,129,237 |
| - Effect of different tax rates in other countries | **(9,642)** | 57,489 |
| - Expenses not deductible for tax purposes | **3,405,297** | 3,122,372 |
| - Income exempt from tax | **(2,796,920)** | (2,718,739) |
| - Chargeable gains | **38,898** | 9,928 |
| - Loan to participator charge | **(145,438)** | 145,438 |
| - Other | **(69,344)** | 32,701 |
| - Tax losses | **96,850** | 92,012 |
| - Adjustments in respect of prior periods | **5,163** | 13,705 |
| | **2,094,499** | 1,884,143 |

The income tax expense on the results of the Group comprises principally that assessed on the income of the foreign subsidiaries in accordance with the decrees issued by the relevant tax authorities.

(b) Net deferred tax (assets)

The movements in the deferred tax account are as follows:

| | 2019 £ | 2018 £ |
|---|---|---|
| Beginning of financial year | **(832,288)** | (927,621) |
| Currency translation differences | **(108,341)** | 59,265 |
| Deferred tax charged to profit or loss | **24,416** | 12,722 |
| Adjustment in respect of previous period | **1,295** | 7,277 |
| Deferred tax charge in other comprehensive income | **-** | 16,069 |
| End of financial year | **(914,918)** | (832,288) |
| | | |
| Excess of capital allowances over depreciation | **19,425** | 59,638 |
| Short term timing differences | **(450,737)** | (309,256) |
| Losses | **(483,606)** | (582,670) |
| Total Deferred tax asset | **(914,918)** | (832,288) |

There is an unrecognised deferred tax asset of £1,370,861 (2018: £1,284,206) which relates to corporation tax losses in the UK.

**Notes to the financial statements** (continued)

## 11. Profit for the financial year

As permitted by section 408 of the Companies Act 2006, on the basis that it is a qualifying entity and the consolidated profit and loss account and the consolidated statement of cash flows included in these financial statements include the Company's profit and statement of cash flows, the Company has taken advantage of the exemption from preparing the holding company's profit and loss account and statement of cash flows The holding company's profit for the financial year is made up as follows:-

| | |
|---|---|
| Profit on ordinary activities before tax and minorities | £2,467,451 |

## 12. Intangible assets

| | **Goodwill** |
|---|---|
| *Cost* | £ |
| At 1 April 2018 and 31 March 2019 | **868,968** |
| | |
| *Accumulated amortisation* | |
| At 1 April 2018 | (510,520) |
| Charge for year | (86,895) |
| **At 31 March 2019** | **(597,415)** |
| | |
| **Net book value at 31 March 2019** | **271,553** |
| | |
| Net book value at 31 March 2018 | 358,448 |

## 13. Property, plant and equipment

| *Group* | Leasehold improvements | Office furniture and equipment | Plant and machinery | Motor Vehicles | Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| *Cost* | | | | | |
| At 1 April 2018 | 1,320,145 | 4,963,062 | 204,477 | 1,356,829 | 7,844,513 |
| Currency translation differences | 52,839 | 218,875 | - | 73,424 | 345,138 |
| Reclassifications | - | (24,943) | - | (10,777) | (35,720) |
| Additions | 315,669 | 455,020 | - | 217,113 | 987,802 |
| Disposals | (74,664) | (245,561) | - | (216,817) | (537,042) |
| Write-offs | - | (10,164) | - | - | (10,164) |
| **At 31 March 2019** | **1,613,989** | **5,356,289** | **204,477** | **1,419,772** | **8,594,527** |
| | | | | | |
| *Accumulated depreciation* | | | | | |
| At 1 April 2018 | (887,932) | (4,016,921) | (45,270) | (765,186) | (5,715,309) |
| Currency translation differences | (41,111) | (181,905) | - | (41,991) | (265,007) |
| Reclassifications | - | 27,886 | - | 10,775 | 38,661 |
| Charge for year | (146,862) | (482,004) | (10,223) | (209,046) | (848,135) |
| Disposals | 70,861 | 237,368 | - | 168,113 | 476,342 |
| Write-offs | - | 9,040 | (100,000) | - | (90,960) |
| **At 31 March 2019** | (1,005,044) | (4,406,536) | (155,493) | (837,335) | **(6,404,408)** |
| | | | | | |
| ***Net book value*** | | | | | |
| **At 31 March 2019** | **608,945** | **949,753** | **48,984** | **582,437** | **2,190,119** |
| | | | | | |
| At 31 March 2018 | 432,213 | 946,141 | 159,207 | 591,643 | 2,129,204 |

**Notes to the financial statements** (continued)

**13. Property, plant and equipment** (continued)

***Company***

| | Computer equipment | Plant and machinery | Total |
|---|---|---|---|
| | £ | £ | £ |
| *Cost* | | | |
| At 1 April 2018 and 31 March 2019 | **9,830** | **204,477** | **214,307** |
| *Accumulated depreciation* | | | |
| At 1 April 2018 | (6,810) | (45,270) | (52,080) |
| Charge for year | (1,069) | (10,223) | (11,292) |
| Impairment | - | (100,000) | (100,000) |
| **At 31 March 2019** | **(7,879)** | **(155,493)** | **(163,372)** |
| ***Net book value*** | | | |
| **At 31 March 2019** | **1,951** | **48,984** | **50,935** |
| At 31 March 2018 | 3,020 | 159,207 | 162,227 |

At the balance sheet date, the net book value of property, plant and equipment of the Group under finance lease agreements amounted to £55,939 (2018: £68,652).

**14. Investments**

**Group and Company**

| | Managed let properties | Listed investments | Other investments | Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| *Cost or valuation* | | | | |
| At 31 March 2018 | 1,676,050 | 5,722,821 | 3,617,957 | 11,016,828 |
| Additions | - | 272,247 | 581,568 | 853,815 |
| Disposals | - | (380,519) | (361,689) | (742,208) |
| Revaluation | - | 269,861 | (89,765) | 180,096 |
| **At 31 March 2019** | **1,676,050** | **5,884,410** | **3,748,071** | **11,308,531** |
| *Accumulated amounts written off* | | | | |
| **At 31 March 2018 and 31 March 2019** | (141,050) | 8,360 | (999,663) | (1,132,353) |
| *Net book value* | | | | |
| **At 31 March 2019** | **1,535,000** | **5,892,773** | **2,748,405** | **10,176,178** |
| At 31 March 2018 | 1,535,000 | 5,731,181 | 2,618,294 | 9,884,475 |

At 31 March 2019 the directors reviewed the valuations of the company's managed let properties, all of which were professionally valued as at 8 August 2016 by a member of the Royal Institute of Chartered Surveyors. Following their review of the valuation prepared in 2016 the directors have concluded that no further revaluation of the company's let properties is considered appropriate as at 31 March 2019.

**Notes to the financial statements** (continued)

## 15. Investments in associated companies

| | 2019 £ | 2018 £ |
|---|---|---|
| At beginning of financial year | **809,763** | 680,829 |
| Addition during the year | **460,722** | 647,563 |
| Dividends received from associated company | **(151,908)** | - |
| Currency translation differences | **62,501** | (73,826) |
| | **1,181,078** | 1,254,566 |
| Share of (losses)/profits before income tax | **(264,013)** | (427,745) |
| Share of income tax | **(19,525)** | (17,058) |
| Share of profit after tax | **(283,538)** | (444,803) |
| At end of financial year | **897,540** | 809,763 |

| *Name of company* | Principal activity | Equity held | Country of incorporation |
|---|---|---|---|
| **Held via Ben Line Agencies Limited** | | | |
| Boyd Marine Consultants Holdings Limited | Investment holding | 33.33 | Hong Kong |
| Waterfront Maritime Services DMCC | Shipping agent | 50.00 | U.A.E. |
| **Held via Ben Line Agencies Philippines Limited** | | | |
| SITC Container Lines, Philippines Inc | Port services | 60 | Philippines |

During the year Ben Line Agencies Limited increased its investment in Waterfront Maritime Services DMCC through the subscription of £460,722 of Loan Stock. This company has been accounted for as an associated company within the group on the basis that it is not controlled by any individual party.

As the investments in associated companies are not material to the Group the summarised financial information of the associated companies has not been disclosed.

## 16. Subsidiary and related undertakings

The related undertakings during the year are as follows:-

| *Subsidiary and related undertakings of E.G.Thomson (Holdings) Limited* | Principal activities | Percentage of ordinary share capital | Country of business/ incorporation |
|---|---|---|---|
| Ben Management Services Limited | Office Services | 100 | Scotland |
| Bordlands Developments Limited | Property Development | 100 | Scotland |
| Ben Line Agencies Limited | Shipping Agent | 50.5 | Jersey |
| EGTH (Travel) Limited | Dormant | 100 | Scotland |
| E.G.Thomson (Travel) Limited | Dormant | 100 | Scotland |
| Scottish Connections Limited | Dormant | 100 | Scotland |

**Notes to the financial statements** (continued)

## 16. Subsidiary and related undertakings *(continued)*

| | Principal activities | Percentage of ordinary share capital | Country of business/ incorporation |
|---|---|---|---|
| *Subsidiary and related undertakings of Ben Line Agencies Limited* | | | |
| Ben Line Agencies (Thailand) Limited | Shipping agent | 90 | Thailand |
| Simba Logistics (Thailand) Limited | Freight forwarding services | 90 | Thailand |
| Marine Connections Company Limited | Shipping agent | 90 | Thailand |
| Spica Services (Thailand) Limited | Correspondent for Protection & Indemnity Clubs | 60 | Thailand |
| Boyd Marine Consultants (Thailand) Limited | Cargo Surveying Services | 33 | Thailand |
| Ben Line Agencies (Japan) Limited | Shipping agent | 100 | Japan |
| Hesco Agencies Limited | Shipping agent | 100 | Japan |
| Simba Logistics Ltd | Freight forwarding services | 100 | Japan |
| Ben Line Agencies (H.K.) Limited | Shipping agent | 80 | Hong Kong |
| Ben Line Agencies (China) Limited | Shipping agent | 80 | Hong Kong |
| Hongkong and Eastern Shipping Agencies Limited | Shipping agent | 80 | Hong Kong |
| Marine Connections (HK) Limited | Freight forwarding & Agency Services | 80 | Hong Kong |
| Ben Line Agencies Holdings Limited | Shipping agent | 100 | Hong Kong |
| Spica Holdings Limited | Correspondent for Protection & Indemnity Clubs | 60 | Hong Kong |
| Boyd Marine Consultants Holdings Limited | Cargo Surveying Services | 33 | Hong Kong |
| Marine Connections (Shanghai) Limited | Shipping agent | 80 | China |
| Taiwan Marine Connections Investment Ltd | Investment holding | 80 | Taiwan |
| Ben Line Agencies (Singapore) Pte Ltd | Shipping agent | 100 | Singapore |
| Simba Logistics (Singapore) Pte Ltd | Freight forwarding services | 100 | Singapore |
| Spica Services (S) Pte Ltd | Correspondent for Protection & Indemnity Clubs | 60 | Singapore |
| Asia Maritime Claims Services Pte Ltd | Correspondent for Protection & Indemnity Clubs | 60 | Singapore |
| Boyd Marine Consultants (Singapore) Pte Ltd | Cargo Surveying Services | 33 | Singapore |
| Syarikat Laksamana Sdn Bhd | Investment holding | 100 | Malaysia |
| Ben Line Agencies (Malaysia) Sdn Bhd | Shipping agent | 100 | Malaysia |
| Bendera Shipping Agencies Sdn Bhd | Shipping agent | 100 | Malaysia |
| Simba Logistics (Malaysia) Sdn Bhd | Freight forwarding services | 100 | Malaysia |
| Ben Line Shared Services Sdn Bhd | Shared Services Provider | 100 | Malaysia |
| Spica Services (Malaysia) Sdn Bhd | Correspondent for Protection & Indemnity Clubs | 60 | Malaysia |
| Boyd Marine Consultants Sdn Bhd | Cargo Surveying Services | 33 | Malaysia |
| Ben Line Agencies Philippines Inc | Shipping agent | 70 | Philippines |

**Notes to the financial statements** (continued)

## 16. Subsidiary and related undertakings *(continued)*

*Subsidiary and related undertakings of Ben Line Agencies Limited (continued)*

| | Principal activities | Percentage of ordinary share capital | Country of business/ incorporation |
|---|---|---|---|
| Simba Logistics Inc | Freight forwarding services | 70 | Philippines |
| Sino Cargoworks Agencies, Inc. | Shipping agent & freight forwarding services | 70 | Philippines |
| Spica Services Philippines Inc | Correspondent for Protection & Indemnity Clubs | 70 | Philippines |
| SITC Container Lines Phils., Inc. | Shipping agent | 42 | Philippines |
| PT Simba Logistik | Freight forwarding services | 100 | Indonesia |
| PT Bahari Eka Nusantara | Shipping agent | 100 | Indonesia |
| PT Ben Bahari Line | Dormant | 100 | Indonesia |
| PT Boyd Marine Consultants Indonesia | Cargo Surveying Services | 33 | Indonesia |
| PT Spicaputra Sarana | Correspondent for Protection & Indemnity Clubs | 60 | Indonesia |
| Marine Connections Vietnam Co Ltd | Shipping agent & freight forwarding services | 100 | Vietnam |
| Vietnam Maritime Service Co Ltd | Shipping agent & freight forwarding services | 100 | Vietnam |
| Boyd Marine Consultants (Vietnam) Co. Ltd | Cargo Surveying Services | 33 | Vietnam |
| CK Line (Vietnam) Co. Ltd | Shipping agent | 30 | Vietnam |
| Ben Line Agencies (India) Private Limited | Shipping agent | 95 | India |
| Quanta Logistics Pvt. Ltd | Freight forwarding services | 95 | India |
| Ben Line Agencies (M) Ltd | Shipping agent | 100 | Myanmar |
| Spica Services (Jersey) Limited | Investment holding | 60 | Jersey |
| Ben Line Agencies (Korea) Limited | Shipping agent | 100 | South Korea |
| Ben Line Agencies (Australia) Pty. Ltd | Shipping agent | 100 | Australia |
| Waterfront Maritime Services DMCC | Shipping agent | 50 | U.A.E. |
| Ben Line Agencies Lanka (Private) Limited | Shipping agent | 100 | Sri Lanka |

The registered office addresses of the companies within the E.G.Thomson (Holdings) group are as noted below

| Country of incorporation | Registered office address |
|---|---|
| Scotland | 110 George Street, Edinburgh, EH2 4LH, Scotland |
| Jersey | 9 Burrard Street, St Helier, Jersey Channel Islands JE4 5UE |
| Thailand | 14 FL, Sethiwan Tower, 139 Pan Road, Silom, Bangrak 10500 Bangkok, Thailand |
| Japan | Shinagawa TS Building 4th Floor, 13-40, Konan 2-chome, Minato-ku, Tokyo 108 0075, Japan |
| Hong Kong | 15th Floor, Tung Wai Commercial Building, 111 Gloucester Road, Wanchai, Hong Kong |
| China | Room 2301, No. 575 Wusong Road, Trinity Tower, Hongkou District, Shanghai 200080, China |
| Taiwan | 7F-1, No.130, Sec. 2, Zhongxiao East Road, Zhongzheng District, Taipei, Taiwan 10053 |
| Singapore | 200 Cantonment Road, #13-05 Southpoint, Singapore 089763 |
| Malaysia | Wisma Goshen, 2nd Floor, 60, 62 & 64 Jalan SS 22/21, Damansara Jaya, 47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia |
| Philippines | Unit 701 A, 7th floor Tower A, Two E-com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City 1300, Philippines |
| Indonesia | Graha Paramita Building 12th Floor, Jalan Denpasar Raya Blok D-2, Kav.8, Kuningan, Jakarta 12940, Indonesia |

**Notes to the financial statements** (continued)

## 16. Subsidiary and related undertakings *(continued)*

| | |
|---|---|
| Vietnam | 25th floor, TNR Tower, 180-192 Nguyen Cong Tru Street, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City, Vietnam |
| India | 6, M.A. Chidambaram Building, II Floor, Esplanade, Chennai, Tamil Nadu 600 108, India |
| Myanmar | #16-02 Sakura Tower, 339 Bogyoke Aung San Road, Kyauktada Township, Yangon, Myanmar |
| South Korea | 7F, Bolim B/D, 65, Myeongdong-gil, Jung-gu, Seoul, South Korea 04538 |
| Australia | Unit 2, 1567 Wynnum Road, Tingalpa, Queensland 4173, Australia |
| U.A.E. | 1 Lake Plaza, 32nd Floor – Suite# 3202, Jumeirah Lake Towers, Dubai, UAE |
| Sri Lanka | Level 5, BTLShipping House, 45/2 Braybrooke Street, Colombo 02, Sri Lanka |

The Directors believe that the carrying value of investments in subsidiary undertakings is supported by their underlying net assets.

## 17. Other non-current assets

| | **2019** | 2018 |
|---|---|---|
| | **£** | £ |
| Deposits | **1,035,370** | 670,346 |
| Club memberships | **56,098** | 54,575 |
| Prepayment of pension assets | **847,013** | - |
| Financial assets at FVPL | **241,431** | - |
| Deferred tax assets | **928,466** | 863,787 |
| Others | **67,788** | - |
| | **3,176,166** | 1,588,708 |

Included in deposits are amounts held in different currencies totalling £319,814 (2018: £301,451) used as collateral against bank guarantees.
The financial assets are non-listed structured notes and have been mandatorily measured at fair value through profit and loss. These notes are classified as Level 2 under the fair value measurement hierarchy.

## 18. Trade and other receivables

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **2019** | 2018 | **2019** | 2018 |
| | **£** | £ | **£** | £ |
| Trade receivables | **7,523,946** | 8,549,453 | **2,444** | 5,730 |
| Less: Allowance for impairment of trade receivables | **(274,747)** | (417,508) | **-** | - |
| Trade receivables – net | **7,249,199** | 8,131,945 | **2,444** | 5,730 |
| Receivables from principals | **29,714,397** | 29,189,288 | **-** | - |
| Less: Allowance for impairment of receivables from principals | **(494,206)** | (391,547) | **-** | - |
| | **29,220,191** | 28,797,741 | **-** | - |
| Other receivables | **4,569,735** | 3,785,018 | **447,500** | 447,500 |
| Less: Allowance for impairment of other receivables | **-** | - | | - |
| Other receivables – net | **4,569,735** | 3,785,018 | **447,500** | 447,500 |
| | **41,039,125** | 40,714,704 | **449,944** | 453,230 |

Included in other receivables is an amount of £2,325,384 (2018: £1,997,090) due from a related party. This amount is unsecured, interest-free, repayable on demand and not impaired as at 31 March 2019 and 2018. Also included in Other receivables is an interest free loan in the amount of £447,500 advanced to a director. This loan has no fixed repayment date.

**Notes to the financial statements** (continued)

## 19. Cash and cash equivalents

| | Group | | Company | |
|---|---|---|---|---|
| | **2019** | 2018 | **2019** | 2018 |
| | **£** | £ | **£** | £ |
| Cash at bank and on hand | **33,656,804** | 32,358,582 | **1,488,690** | 1,055,795 |
| Short-term bank deposits | **7,329,704** | 2,017,392 | **-** | - |
| | **40,986,508** | 34,375,974 | **1,488,690** | 1,055,795 |

Included in short-term bank deposits are amounts totalling £319,843 (2018: £301,451) used as collateral against bank guarantees given to suppliers.

For the purposes of the consolidated statement of cash flows, the cash and cash equivalents comprise the following:

| | | | | |
|---|---|---|---|---|
| Cash and bank balances | **40,924,036** | 34,318,386 | **1,488,690** | 1,055,795 |
| Add: Restricted cash | **62,022** | 57,558 | **-** | - |
| | **40,986,508** | 34,375,974 | **1,488,690** | 1,055,795 |
| Less: Finance lease liabilities | **(22,370)** | (28,368) | **-** | - |
| | **40,964,138** | 34,347,606 | **-** | - |

## 20. Other current assets

| | | | | |
|---|---|---|---|---|
| Deposits | **5,892,901** | 2,605,515 | **-** | - |
| Staff loans and advances | **499,556** | 429,746 | **-** | - |
| Prepayments | **1,155,944** | 931,904 | **37,742** | 52,448 |
| Tax recoverable | **162,166** | 1,696 | **148,440** | - |
| Inventory | **3,090** | 3,627 | **3,090** | 3,627 |
| Other | **199,718** | 83,999 | **157,416** | 48,455 |
| | **7,913,375** | 4,056,487 | **346,688** | 104,530 |

## 21. Creditors: amounts falling due within one year

| | Group | | Company | |
|---|---|---|---|---|
| | **2019** | 2018 | **2019** | 2018 |
| | **£** | £ | **£** | £ |
| Payables to principals | **34,563,024** | 22,290,480 | **-** | - |
| Payables to creditors of principals | **25,792,063** | 29,984,378 | **-** | - |
| Trade creditors and accruals | **6,629,182** | 6,841,836 | **112,130** | 101,609 |
| Current taxation payable | **2,168,312** | 1,718,908 | | 145,438 |
| Amounts due to subsidiary undertakings | **-** | - | **95,301** | 95,301 |
| Amount due to related company | **616,526** | - | **-** | - |
| Bank overdraft and finance lease liabilities | **22,370** | 15,769 | **-** | - |
| Other creditors | **3,209,408** | 2,561,073 | **33,945** | 29,565 |
| | **73,000,885** | 63,412,444 | **241,376** | 371,913 |

The payables to creditors of principals represent goods and services contracted by the Group as agents on behalf of the principals. Such amounts are recognised only upon receipt of the invoices. The Group does not assume liability for such services and goods contracted.

## 22. Creditors: amounts falling due after more than one year

| | | | | |
|---|---|---|---|---|
| Post-employment benefit obligations | **1,837,994** | 1,228,584 | **-** | - |
| Finance lease liabilities | **-** | 12,598 | **-** | - |
| Deferred tax liabilities | **13,549** | 31,498 | **-** | - |
| Other non-current creditors | **285,970** | - | **-** | - |
| | **2,137,513** | 1,272,680 | **-** | - |

The carrying amounts of non-current borrowings approximate their fair values.

**Notes to the financial statements** (continued)

## 23. Borrowings

| | Group | | Company | |
|---|---|---|---|---|
| Current | **2019** | 2018 | **2019** | 2018 |
| | **£** | £ | **£** | £ |
| Bank overdraft | - | 816 | - | - |
| Finance lease liabilities (a) | **22,370** | 14,953 | - | - |
| | **22,370** | 15,769 | - | - |
| Non-current | | | | |
| Finance lease liabilities (a) | - | 12,598 | - | - |

| | | Group 2019 | Group 2018 | Company 2019 | Company 2018 |
|---|---|---|---|---|---|
| (a) | Minimum lease payments due | | | | |
| | - not later than one year | **23,505** | 16,657 | - | - |
| | - later than one year but not later than five years | - | 13,738 | - | - |
| | | **23,505** | 30,395 | - | - |
| | Less: Amount representing interest | **(1,135)** | (2,844) | - | - |
| | | **22,370** | 27,551 | - | - |

The present value of finance lease liabilities is analysed below

| | Group 2019 | Group 2018 | Company 2019 | Company 2018 |
|---|---|---|---|---|
| Not later than one year (Note 21) | **22,370** | 14,953 | - | - |
| Later than one year but not later than five years (Note 22) | - | 12,598 | - | - |
| | **22,370** | 27,551 | - | - |

Financial guarantees secured by cash deposits have been issued by a subsidiary company in the amount of £273,085 (2018: £237,809). In addition, unsecured financial guarantees have been issued to financial institutions by a subsidiary company for credit facilities of certain of that company's subsidiaries. Such guarantees amount to £4,838,163 (2018: £3,658,166) at the financial year end. Management's assessment is that it is not probable that an outflow of economic benefits will be required in connection with these guarantees and they have therefore concluded that no liability should be recognised as at 31 March 2019 or 2018.

**Notes to the financial statements** (continued)

## 24. Post-employment benefit obligations

The amount recognised in the balance sheet relates to funded and unfunded plans as follows:

| | **2019** | 2018 |
|---|---|---|
| | **£** | £ |
| Present value of funded obligations | **930,142** | 586,137 |
| Fair value of plan assets | **(672,727)** | (537,025) |
| Deficit of funded plans | **257,415** | 49,112 |
| Present value of unfunded obligations | **1,580,579** | 1,179,472 |
| Liability recognised in the balance sheet | **1,837,994** | 1,228,584 |

The movement in the defined benefit obligation is as follows:

| | Present value of obligation | Fair value of plan assets | Total |
|---|---|---|---|
| | £ | £ | £ |
| 1 April 2018 | 1,765,609 | (537,025) | 1,228,584 |
| Current service cost | 372,961 | - | 372,961 |
| Interest expense/(income) | 92,275 | (47,320) | 44,955 |
| | 465,236 | (47,320) | 417,916 |
| Remeasurements: | | | |
| - Loss from change in financial assumptions | 145,574 | - | 145,574 |
| - Experience losses | 107,815 | - | 107,815 |
| - Return on plan assets | - | 27,593 | 27,593 |
| | 253,389 | 27,593 | 280,982 |
| Currency translation differences | 92,506 | (34,328) | 58,178 |
| Contributions | - | 29,446 | 29,446 |
| Benefit payments | (66,020) | (111,092) | (177,112) |
| **31 March 2019** | **2,510,720** | **(672,726)** | **1,837,994** |

| | Present value of obligation | Fair value of plan assets | Total |
|---|---|---|---|
| | £ | £ | £ |
| 1 April 2017 | 1,472,911 | (623,055) | 849,856 |
| Current service cost | 577,675 | - | 577,675 |
| Interest expense/(income) | 69,823 | (42,726) | 27,097 |
| | 647,498 | (42,726) | 604,772 |
| Remeasurements: | | | |
| - Loss from change in financial assumptions | (59,517) | - | (59,517) |
| - Experience losses | (7,677) | - | (7,677) |
| - Return on plan assets | - | 19,476 | 19,476 |
| | (67,194) | 19,476 | (47,718) |
| Currency translation differences | (220,216) | (8,225) | (131,991) |
| Benefit payments | (67,390) | (21,055) | (46,335) |
| 31 March 2018 | 1,765,609 | (537,025) | 1,228,584 |

**Notes to the financial statements** (continued)

## 24. Post-employment benefit obligations (continued)

The defined benefit obligation and plan assets are composed by country as follows:

| | Indonesia | Philippines | 2019 Korea | Others | Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Present value of obligation | **820,489** | **860,454** | **371,678** | **458,099** | **2,510,720** |
| Fair value of plan assets | **-** | **(610,239)** | **-** | **(62,487)** | **(672,726)** |
| Liability recognised in the balance sheet | **820,489** | **250,215** | **371,678** | **395,611** | **1,837,994** |

| | Indonesia | Philippines | 2018 Korea | Others | Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Present value of obligation | **651,485** | **520,026** | **233,498** | **360,600** | **1,765,609** |
| Fair value of plan assets | **-** | **(471,270)** | **-** | **(65,756)** | **(537,025)** |
| Liability recognised in the balance sheet | **651,485** | **48,756** | **233,498** | **294,844** | **1,228,584** |

The significant actuarial assumptions used were as follows:

| | 2019 Indonesia | 2019 Philippines | 2019 Korea | 2018 Indonesia | 2018 Philippines | 2018 Korea |
|---|---|---|---|---|---|---|
| Discount rate | 8.0% | 6.3% | 2.2% | 7.5% | 7.9% | 2.0% |
| Salary growth rate | 5.0% | 8.0% | 4.0% | 5.0% | 3.0% | 4.0% |

Assumptions regarding future mortality rates are set based on actuarial advice in accordance with published statistics and experience in each territory.

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

Impact on defined benefit obligation

| | Change in assumption | Increase in assumption Indonesia | Increase in assumption Philippines | Increase in assumption Korea | Decrease in assumption Indonesia | Decrease in assumption Philippines | Decrease in assumption Korea |
|---|---|---|---|---|---|---|---|
| | | £ | £ | £ | £ | £ | £ |
| **31 March 2019** | | | | | | | |
| **Discount rate** | 1% | **(50,330)** | **(35,694)** | **(34,511)** | **57,657** | **35,824** | **30,681** |
| **Salary growth rate** | 1% | **57,588** | **36,783** | **29,867** | **(61,953)** | **(33,551)** | **(26,353)** |
| 31 March 2018 | | | | | | | |
| Discount rate | 1% | (43,031) | (11,775) | (19,156) | 49,578 | 10,944 | 22,217 |
| Salary growth rate | 1% | 61,951 | 7,376 | 21,677 | (42,727) | (6,833) | (19,089) |

The above sensitivity analyses are based on a change in an assumption while holding other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the pension liability recognised within the statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

**Notes to the financial statements** (continued)

## 25. Contingent liabilities

As of 31 March 2019, a third party had advanced loans of £729,477 (2018: £463,197) to Ben Line Agencies Limited for investment, on its behalf, in an associated entity of Ben Line Agencies Limited. Ben Line Agencies Limited believes the third party fully intends to become a direct investor in that entity and is awaiting the completion of internal restructuring before it will be in a position to exchange its present loans and become a direct investor in the associate. These loans have been accounted for as if the third party were already a direct investor in the associated entity, which is currently loss making. In the unlikely event that the third party does not complete its internal restructuring to its satisfaction, there is a possibility that the loans provided to Ben Line Agencies Limited would become repayable. The terms and timing of repayment of the loans would be for negotiation depending on the performance of the associated entity. In such an event, Ben Line Agencies Limited's investment in the associated entity would increase appropriately and Ben Line Agencies Limited would have to recognise a higher proportion of the associated entity's losses. As of 31 March 2019, the extent of the associated entity's losses that Ben Line Agencies Limited would have to recognise are up to £736,387 (2018: £456,783).

## 26. Operating lease commitments - where the Group is a lessee

The Group leases various office spaces and plant and machinery from non-related parties under non-cancellable operating lease agreements. The leases have varying terms and renewal rights.

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

| | **2019** | 2018 |
|---|---|---|
| | **£** | £ |
| | | (Restated) |
| Not later than one year | **2,952,274** | 2,160,256 |
| Later than one year but not later than five years | **4,047,117** | 1,671,751 |
| | **6,999,391** | 3,832,007 |

## 27. Financial instruments

| | **2019** | | 2018 | |
|---|---|---|---|---|
| *Group* | **£** | **£** | £ | £ |
| The Group has the following financial instruments | | | | |
| Financial assets that are debt instruments measured at amortised cost | | | | |
| - Trade receivables | **7,249,199** | | 8,131,945 | |
| - Receivables from Principals | **29,220,191** | | 28,797,741 | |
| - Other receivables | **4,569,735** | | 3,785,018 | |
| - Investments in short term deposits | **13,222,605** | | 4,622,907 | |
| | | **54,261,730** | | 45,337,611 |
| Financial assets at fair value through profit and loss | | | | |
| - Investments in property | **1,535,000** | | 1,535,000 | |
| - Investments in quoted securities | **5,892,773** | | 5,731,181 | |
| | | **7,427,773** | | 7,266,181 |
| Financial assets that are equity instruments measured at cost less impairment | | **2,748,405** | | 2,618,294 |
| Financial liabilities measured at amortised cost | | | | |
| - Borrowings | **(22,370)** | | (59,865) | |
| - Payables to Principals | **(34,563,024)** | | (22,290,480) | |
| - Payables to creditors of Principals | **(25,792,063)** | | (29,984,378) | |
| - Trade creditors and accruals | **(6,915,152)** | | (6,841,836) | |
| - Taxation payable | **(2,168,312)** | | (1,718,908) | |
| - Post-employment benefit obligations | **(1,837,994)** | | (1,228,584) | |
| - Other creditors | **(3,209,408)** | | (2,620,938) | |
| | | **(74,508,323)** | | (64,744,989) |

**Notes to the financial statements** (continued)

## 27. Financial instruments (continued)

*Company*

The Company has the following financial instruments

| | | | | |
|---|---|---|---|---|
| Financial assets that are debt instruments measured at amortised cost | | | | |
| - Trade receivables | **2,444** | | 5,730 | |
| - Other receivables | **447,500** | | 447,500 | |
| Financial assets that are debt instruments measured at fair value | | | | |
| - Investments in property | **1,535,000** | | 1,535,000 | |
| - Investments in quoted securities | **5,892,773** | | 5,731,184 | |
| | | **7,877,717** | | 7,719,414 |
| Financial assets that are equity instruments measured at cost less impairment | | **2,748,405** | | 2,618,391 |
| Financial liabilities measured at amortised cost | | | | |
| - Trade creditors and accruals | **(112,130)** | | (101,609) | |
| - Other creditors | **(33,949)** | | (29,565) | |
| | | **(146,079)** | | (276,612) |

## 28. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties.

(a) During the year the company made payments totalling £17,741 to Thomson Trees, a company controlled by one of the directors (2018: £6,997).

(b) Dividends paid

100 per cent. (2018: 100 per cent.) of dividends paid during the year, amounting to £1,484,735 (2018: £1,409,230), were paid to connected parties.

## 29. Ultimate control

The directors believe the company has no ultimate controlling party.

## 30. Authorisation of consolidated financial statements

These consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 10 December 2019.