

Redcliffe International (Shipping) Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2017

Roffe Swayne
Statutory Auditors & Chartered Accountants
Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ



Redcliffe International (Shipping) Limited

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Redcliffe International (Shipping) Limited

Company Information

Chairman MM Kendall

Directors MM Kendall
MC Bishop
D Shaw
F France
RA Leech
NR Stead

Company secretary MC Bishop

Registered office 7 Albert Court
Prince Consort Road
London
SW7 2BJ

Auditors Roffe Swayne
Statutory Auditors & Chartered Accountants
Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

Redcliffe International (Shipping) Limited

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 activities of the Company during the year were specialist freight forwarding, storage and sale of goods, and road transport.

Directors of the Company

The Directors shown below have held office during the period from 1 January 2017 to the date of this report.

MM Kendall - Chairman

MC Bishop

D Shaw

F France

RA Leech

NR Stead

Directors' liabilities

The Ultimate Parent Undertaking, Charles Kendall Group Limited, maintains an insurance policy on behalf of all the Directors against liability from negligence, breach of duty and breach of trust.

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

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

Redcliffe International (Shipping) Limited

Directors' Report for the Year Ended 31 December 2017 (continued)

Disclosure of information to the auditors

The Directors have discussed with the auditors, as part of the clearance and review process, the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company, consistently applied and adequately disclosed.

The discussion with the auditors also covered points arising from the work the auditors performed during their audit; and explanations were given where the auditors considered them necessary in order to provide them with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.

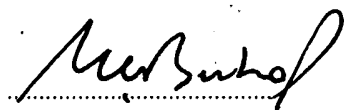
As far as each of the Directors who held office at 6 June 2018 are aware:

- there is no relevant audit information (as defined by section 418(2) of the Companies Act 2006) of which the Company's auditors are unaware, and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board of Directors on 6 June 2018 and signed on its behalf by:



MC Bishop
Company secretary

Redcliffe International (Shipping) Limited

Independent Auditor's Report

Opinion

We have audited the financial statements of Redcliffe International (Shipping) Limited (the 'Company') for the year ended 31 December 2017, which comprise the Statement of Comprehensive Income, Balance Sheet, 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).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

Redcliffe International (Shipping) Limited

Independent Auditor's Report (continued)

We have nothing to report in this regard.

Opinion on other matter 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 our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, set out on page 2, 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Redcliffe International (Shipping) Limited

Independent Auditor's Report (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Jonathan Vickery BA FCA (Senior Statutory Auditor)
For and on behalf of Roffe Swayne, Statutory Auditor

Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

6 June 2018

Redcliffe International (Shipping) Limited

Statement of Comprehensive Income for the Year Ended 31 December 2017

	Note	2017 £	2016 £
Turnover	2	9,118,914	6,340,094
Cost of sales		<u>(6,169,224)</u>	<u>(3,934,094)</u>
Gross profit		2,949,690	2,406,000
Administrative expenses		(2,839,288)	(2,208,610)
Other operating income	5	<u>918,312</u>	<u>113,536</u>
Operating profit	6	1,028,714	310,926
Interest payable and similar charges	7	<u>(14,444)</u>	<u>(14,895)</u>
Profit on ordinary activities before taxation		1,014,270	296,031
Tax on profit on ordinary activities	8	<u>(224,501)</u>	<u>(60,294)</u>
Profit for the financial year		789,769	235,737
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>789,769</u></u>	<u><u>235,737</u></u>

The notes on pages 10 to 20 form an integral part of these financial statements.

Redcliffe International (Shipping) Limited

(Registration number: 02674289)

Balance Sheet as at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	10	1,322,274	1,323,146
Current assets			
Stocks	11	39,064	41,059
Debtors	12	2,005,642	1,693,904
Cash at bank and in hand		<u>916,169</u>	<u>287,937</u>
		2,960,875	2,022,900
Creditors: Amounts falling due within one year	13	<u>(2,003,272)</u>	<u>(1,560,583)</u>
Net current assets		<u>957,603</u>	<u>462,317</u>
Total assets less current liabilities		2,279,877	1,785,463
Creditors: Amounts falling due after more than one year	13	(94,235)	(135,832)
Provisions for liabilities	16	<u>(57,348)</u>	<u>(61,106)</u>
Net assets		<u>2,128,294</u>	<u>1,588,525</u>
Capital and reserves			
Called up share capital	17	50,000	50,000
Profit and loss account	18	<u>2,078,294</u>	<u>1,538,525</u>
Shareholders' funds		<u>2,128,294</u>	<u>1,588,525</u>

The financial statements were approved by the Board of Directors on 6 June 2018 and signed on its behalf by:



MM Kendall
Chairman

Redcliffe International (Shipping) Limited**Statement of Changes in Equity for the Year Ended 31 December 2017**

	Share capital £	Profit and loss account £	Total £
At 1 January 2016	50,000	1,402,788	1,452,788
Changes in equity			
Total comprehensive income	-	235,737	235,737
Dividends	-	(100,000)	(100,000)
At 31 December 2016	50,000	1,538,525	1,588,525
Changes in equity			
Total comprehensive income	-	789,769	789,769
Dividends	-	(250,000)	(250,000)
At 31 December 2017	<u>50,000</u>	<u>2,078,294</u>	<u>2,128,294</u>

The notes on pages 10 to 20 form an integral part of these financial statements.

Redcliffe International (Shipping) Limited

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

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

Redcliffe International (Shipping) Limited is a private company limited by shares incorporated in England. The Registered Office is 7 Albert Court, Prince Consort Road, London, SW7 2BJ and the principal place of business is Suite 1, Field House, Main Road, Watnall, Nottingham, NG16 1LA. The nature of the Company's operations and its principal activities are set out in the Directors' Report. The Company's financial statements have been prepared in accordance with Financial Reporting Standard Number 102 (FRS 102), issued by the Financial Reporting Council.

Basis of preparation

The financial statements of Redcliffe International (Shipping) Limited were approved for issue by the Board of Directors on 6 June 2018. The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with applicable accounting standards.

The functional currency of Redcliffe International (Shipping) Limited is considered to be Pounds Sterling because that is the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pounds Sterling.

Summary of disclosure exemptions

Redcliffe International (Shipping) Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect to the presentation of a cash flow statement and remuneration of key management personnel.

The Company is a related party with Charles Kendall Group Limited, its ultimate parent undertaking. As a wholly owned subsidiary, the Company is taking advantage of the exemption, under the terms of FRS 102, from making further disclosure of transactions with Charles Kendall Group Limited, and its fellow subsidiary undertakings.

Revenue recognition

Freight forwarding revenue is recognised in the financial statements dependent upon the type of shipment. Where the Company arranges the import or export of a shipment, invoices are raised on the date of dispatch. For imports, where the Company has not arranged the shipment, invoices are raised when the shipment has been delivered to or collected by the consignee.

For road haulage revenue is recognised on the completion of the movement of goods and the revenue from storage hire in our warehouses is recognised each month on a time elapsed basis. The Company also trades goods as principal and revenue is recognised as it arises.

Foreign currency transactions and balances

Transactions in foreign currencies are translated into sterling and recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling and recorded at the rates of exchange prevailing at that date.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Redcliffe International (Shipping) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

1 Accounting policies (continued)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and total comprehensive income and its results as stated in the financial statements, that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that had been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment. Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold buildings	4% per year straight line
Leasehold property	10% per year straight line
Plant and machinery	15% per year straight line
Motor vehicles	25% per year straight line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate. Stocks are valued in the balance sheet as follows:

Raw materials, consumable and goods for resale	Purchase cost on a first-in, first-out basis.
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Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at the transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Redcliffe International (Shipping) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

1 Accounting policies (continued)

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Comprehensive Income over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Assets held under finance leases and other similar contracts, which confer the rights and obligations similar to those attached to owned assets, are capitalised as tangible assets and are depreciated over the shorter of the lease terms and their useful lives. The capital element of the future lease obligations are recorded as liabilities, while the interest element is charged to the income statement over the period of the lease to produce a constant rate of charge on the balance of the capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals payable under operating leases are charged to the income statement in the period to which they relate. Lease incentives are recognised over the lease term on a straight line basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The following are the critical judgements, apart from those involving estimations, that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Trade debtors

The Company has a large exposure to international trade and therefore economic cycles beyond the ability of the management to control. In the current environment the largest risk is the corporate failures of its customers, and therefore their ability to pay their debts. The Company's management mitigates this risk by liaising early with customers to understand their issues, especially over late payments, and the set appropriate credit limits. The Company maintains a provision for bad debts to reflect the management judgement of the risk associated with the collectability of debtors.

Redcliffe International (Shipping) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

2 Turnover

Turnover represents the invoiced value of goods and services sold to third parties which fall within the Company's ordinary activities, excluding value added tax and customs duty. An analysis of turnover as a specialist freight forwarder is as follows:

	2017 £	2016 £
Turnover by activity		
Rendering of services	8,880,226	6,047,199
Sale of goods	238,688	292,895
	<u>9,118,914</u>	<u>6,340,094</u>
	2017 £	2016 £
Turnover by geographical market		
United Kingdom	4,499,485	4,679,530
Middle East	767,364	969,567
United States	32,686	42,419
Asia	3,496,147	57,932
Europe	314,882	577,200
Rest of the World	8,350	13,446
	<u>9,118,914</u>	<u>6,340,094</u>

3 Staff costs

The average number of persons employed by the Company (including Directors) during the year was as follows:

	2017 Number	2016 Number
International freight forwarders	<u>33</u>	<u>32</u>

The aggregate payroll costs (including Directors' remuneration) were as follows:

	2017 £	2016 £
Wages and salaries	1,372,605	1,187,199
Social security costs	154,045	125,157
Other pension costs	244,193	92,074
	<u>1,770,843</u>	<u>1,404,430</u>

Redcliffe International (Shipping) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

4 Directors' remuneration

The Directors' remuneration for the year was as follows:

	2017 £	2016 £
Remuneration	368,784	320,011
Contributions paid to money purchase schemes	108,009	37,929
	<u>476,793</u>	<u>357,940</u>

The remuneration of the highest paid Director was as follows:

	2017 £	2016 £
Salary and taxable benefits	104,306	99,872
Pension contributions to money purchase schemes	45,493	14,497
	<u>149,799</u>	<u>114,369</u>

Two of the Directors receive emoluments from several group undertakings, both of whom are Directors of the ultimate parent undertaking in which financial statements the full cost of their remuneration is disclosed. It is not practicable to allocate the Directors' remuneration between group companies.

5 Other operating income

Other income represents materially recharged overhead costs received from a fellow subsidiary undertaking.

Redcliffe International (Shipping) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

6 Operating profit

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

	2017 £	2016 £
Depreciation - owned assets	117,398	122,434
Depreciation - assets on hire purchase contracts	173,549	138,087
Operating lease expense - plant and machinery	18,909	12,357
Operating lease expense - property	36,453	36,453
Profit on disposal of property, plant and equipment	(26,333)	(22,087)
Auditors' remuneration - audit	9,000	8,750
Foreign exchange losses/(gains)	4,777	(78,277)

7 Interest payable and similar expenses

	2017 £	2016 £
Other interest paid	14,444	14,895

8 Taxation

	2017 £	2016 £
Current taxation		
UK corporation tax at 19% (2016 - 20%)	228,259	58,716
Deferred taxation		
Arising from origination and reversal of timing differences	(23,481)	2,403
Adjustments in respect of previous periods	19,723	(825)
Total deferred taxation	(3,758)	1,578
Tax expense in the income statement	224,501	60,294

During the year beginning 1 January 2018, the net reversal of deferred tax assets and liabilities is expected to decrease the corporation tax charge for the year by £24,531.

There is no expiry date on timing differences, unused tax losses or tax credits.

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax as follows:

Redcliffe International (Shipping) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

8 Taxation (continued)

	2017 £	2016 £
Profit on ordinary activities before taxation	<u>1,014,270</u>	<u>296,031</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 19% (2016 - 20%)	195,212	59,206
Effects of:		
Expenses not deductible for tax purposes	9,566	1,913
Adjustments in respect of previous periods	19,723	(825)
	<u>224,501</u>	<u>60,294</u>

9 Dividends

	2017 £	2016 £
Dividend paid of £5 (2016 - £2) on £1 ordinary shares	<u>250,000</u>	<u>100,000</u>

10 Tangible assets

	Freehold land and buildings £	Long leasehold land and buildings £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation					
At 1 January 2017	684,777	113,831	1,040,390	140,922	1,979,920
Additions	-	1,695	276,321	51,188	329,204
Disposals	-	-	(229,569)	(6,250)	(235,819)
At 31 December 2017	<u>684,777</u>	<u>115,526</u>	<u>1,087,142</u>	<u>185,860</u>	<u>2,073,305</u>
Depreciation					
At 1 January 2017	99,869	55,347	458,225	43,333	656,774
Charge for the year	18,391	15,257	231,311	25,988	290,947
Eliminated on disposal	-	-	(193,891)	(2,799)	(196,690)
At 31 December 2017	<u>118,260</u>	<u>70,604</u>	<u>495,645</u>	<u>66,522</u>	<u>751,031</u>
Carrying amount					
At 31 December 2017	<u>566,517</u>	<u>44,922</u>	<u>591,497</u>	<u>119,338</u>	<u>1,322,274</u>
At 31 December 2016	<u>584,908</u>	<u>58,484</u>	<u>582,165</u>	<u>97,589</u>	<u>1,323,146</u>

Redcliffe International (Shipping) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

10 Tangible assets (continued)

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2017 £	2016 £
Motor vehicles	<u>491,921</u>	<u>422,433</u>

11 Stocks

	2017 £	2016 £
Raw materials and consumables	<u>39,064</u>	<u>41,059</u>

The cost of stocks recognised as an expense in the year amounted to £1,561,674 (2016 - £267,867).

There is no material difference between the balance sheet value of stocks and their replacement value.

12 Debtors

	2017 £	2016 £
Trade debtors	1,883,474	1,580,011
Amounts owed by group undertakings	38,733	53
Prepayments and accrued income	<u>83,435</u>	<u>113,840</u>
	<u>2,005,642</u>	<u>1,693,904</u>

13 Creditors

	Note	2017 £	2016 £
Due within one year			
Hire purchase contracts	15	172,913	151,293
Trade creditors		450,749	571,908
Amounts owed to group undertakings		818,602	419,345
Corporation tax	8	106,259	58,716
Other taxes and social security		27,596	43,277
Other creditors		2,898	2,898
Accruals and deferred income		351,344	313,146
Outstanding defined contribution pension costs		<u>72,911</u>	-
		<u>2,003,272</u>	<u>1,560,583</u>
Due after one year			
Hire purchase contracts	15	<u>94,235</u>	<u>135,832</u>

Redcliffe International (Shipping) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

14 Loans and borrowings

	2017 £	2016 £
Non-current loans and borrowings		
Hire purchase contracts	<u>94,235</u>	<u>135,832</u>

	2017 £	2016 £
Amounts falling due within one year or on demand:		
Hire purchase contracts	<u>172,913</u>	<u>151,293</u>

15 Obligations under leases and hire purchase contracts

Finance leases

The total of future minimum lease payments is as follows:

	2017 £	2016 £
Within one year	172,913	151,293
Between one and five years	80,224	112,508
Over five years	<u>14,011</u>	<u>23,324</u>
	<u>267,148</u>	<u>287,125</u>

Obligations under hire purchase contracts are secured on the assets to which they relate.

Operating leases

At 31 December 2017 the Company had total future minimum rentals payable under non-cancellable operating leases as follows:

	2017 £	2016 £
Buildings:		
Less than one year	51,453	51,453
Between one and five years	205,813	205,813
Over five years	<u>265,939</u>	<u>317,393</u>
	<u>523,205</u>	<u>574,659</u>

16 Provisions for liabilities

	2017 £	2016 £
Deferred tax		
Accelerated capital allowances	72,933	66,727
Other timing differences	<u>(15,585)</u>	<u>(5,621)</u>
	<u>57,348</u>	<u>61,106</u>

Redcliffe International (Shipping) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

16 Provisions for liabilities (continued)

Movement during the year:	£
At 1 January 2017	61,106
Credited to profit and loss account (see note 8)	(3,758)
At 31 December 2017	<u>57,348</u>

17 Share capital

Allotted, called up and fully paid shares	2017		2016	
	Number	£	Number	£
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

18 Profit and loss account

	£
At 1 January 2017	1,538,525
Profit for the year	789,769
Dividends	(250,000)
At 31 December 2017	<u>2,078,294</u>

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

19 Contingent liabilities

The Company has given a performance bond in favour of a customer amounting to US\$300,000 (2016 - US\$300,000). There were no liabilities in respect of this performance bond outstanding at the year end.

20 Related party transactions

Transactions with directors

During the year a Director had a staff loan outstanding of £Nil (2016 - £3,497). The advance was interest free, unsecured and repayable on demand. The balance at the year-end was £Nil (2016 - £Nil).

21 Financial instruments

The carrying values of the Company's financial assets and liabilities are summarised by category below:

Financial assets

	2017 £	2016 £
Measured at undiscounted amount receivable		
Trade and other debtors	<u>1,922,207</u>	<u>1,580,064</u>

Redcliffe International (Shipping) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

21 Financial instruments (continued)

Financial liabilities

	Note	2017 £	2016 £
Measured at amortised cost			
Finance leases and hire purchase contracts	14	267,148	287,125
Measured at undiscounted amount payable			
Trade and other creditors		<u>1,724,100</u>	<u>1,350,574</u>
		<u>1,991,248</u>	<u>1,637,699</u>

The Company's interest expense for financial liabilities at amortised cost was £14,444 (2016 - £14,895).

22 Pension commitments

The Group, of which the Company is a subsidiary undertaking, operates a defined contribution pension scheme. The assets of this scheme is held separately from those of the Group in independently administered funds. Contributions payable during the year to the funds by the Company amounted to £244,193 (2016 - £92,074). Contributions totalling £72,911 (2016 - £Nil) were payable to the scheme at the end of the year and are included in creditors.

Number of Directors to whom retirement benefits were accruing was as follows:

	2017 Number	2016 Number
Money purchase schemes	2	2
Group pension scheme	<u>3</u>	<u>4</u>

23 Parent and ultimate parent undertaking

The Directors regard Charles Kendall Group Limited, a Company registered in England and Wales, as the Company's Ultimate Parent Undertaking. The Directors of Charles Kendall Group Limited are the Ultimate Controlling Parties of the Company.

Charles Kendall Group Limited is the Parent Undertaking of the largest and smallest group of which the Company is a member and for which group financial statements are drawn up.

Copies of the group financial statements can be obtained from:

The Company Secretary
Charles Kendall Group Limited
7 Albert Court
Prince Consort Road
London
SW7 2BJ