

# Redcliffe International (Shipping) Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018



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**

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**Chairman** MM Kendall

**Directors** MM Kendall  
MC Bishop  
D Shaw  
F France  
NR Stead  
MR Slusarenko

**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 2018**

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The Directors present their report and the financial statements for the year ended 31 December 2018.

#### **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 2018 to the date of this report.

MM Kendall - Chairman

MC Bishop

D Shaw

RA Leech (resigned 15 January 2019)

F France

NR Stead

The following director was appointed after the year end:

MR Slusarenko (appointed 17 January 2019)

#### **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 2018 (continued)

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#### 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.

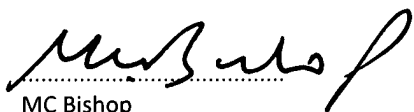
As far as each of the Directors who held office at 5 June 2019 are aware:

- 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 5 June 2019 and signed on its behalf by:



MC Bishop  
Company secretary

## **Redcliffe International (Shipping) Limited**

### **Independent Auditor's Report**

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#### **Opinion**

We have audited the financial statements of Redcliffe International (Shipping) Limited (the 'Company') for the year ended 31 December 2018, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

#### **Other information**

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

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

We have nothing to report in this regard.

## **Redcliffe International (Shipping) Limited**

### **Independent Auditor's Report (continued)**

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#### **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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

## Redcliffe International (Shipping) Limited

### Independent Auditor's Report (continued)

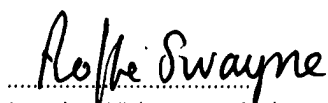
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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

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.

#### Use of our report

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



Jonathan Vickery BA FCA (Senior Statutory Auditor)

For and on behalf of Roffe Swayne, Statutory Auditor & Chartered Accountants

Ashcombe Court  
Woolsack Way  
Godalming  
Surrey  
GU7 1LQ

5 June 2019



## Redcliffe International (Shipping) Limited

### Statement of Comprehensive Income for the Year Ended 31 December 2018

	Note	2018 £	2017 £
Turnover	2	6,650,538	9,118,914
Cost of sales		<u>(3,972,188)</u>	<u>(6,169,224)</u>
Gross profit		2,678,350	2,949,690
Administrative expenses		(2,831,814)	(2,839,288)
Other operating income	3	<u>782,017</u>	<u>918,312</u>
Operating profit	6	628,553	1,028,714
Interest payable and similar expenses	7	<u>(8,011)</u>	<u>(14,444)</u>
Profit before taxation		620,542	1,014,270
Tax on profit	8	<u>(124,218)</u>	<u>(224,501)</u>
Profit for the financial year		496,324	789,769
Other comprehensive income		-	-
Total comprehensive income for the year		<u>496,324</u>	<u>789,769</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 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	10	949	-
Tangible assets	11	<u>1,356,006</u>	<u>1,322,274</u>
		<u>1,356,955</u>	<u>1,322,274</u>
<b>Current assets</b>			
Stocks	12	34,835	39,064
Debtors	13	1,886,894	2,005,642
Cash at bank and in hand		<u>1,483,064</u>	<u>916,169</u>
		3,404,793	2,960,875
<b>Creditors: Amounts falling due within one year</b>	14	<u>(2,378,688)</u>	<u>(2,003,272)</u>
<b>Net current assets</b>		<u>1,026,105</u>	<u>957,603</u>
<b>Total assets less current liabilities</b>		2,383,060	2,279,877
<b>Creditors: Amounts falling due after more than one year</b>	14	(16,834)	(94,235)
<b>Provisions for liabilities</b>	17	<u>(41,608)</u>	<u>(57,348)</u>
<b>Net assets</b>		<u>2,324,618</u>	<u>2,128,294</u>
<b>Capital and reserves</b>			
Called up share capital	18	50,000	50,000
Profit and loss account	19	<u>2,274,618</u>	<u>2,078,294</u>
<b>Shareholders' funds</b>		<u>2,324,618</u>	<u>2,128,294</u>

The financial statements were approved by the Board of Directors on 5 June 2019 and signed on its behalf by:



MM Kendall

Chairman

# Redcliffe International (Shipping) Limited

## Statement of Changes in Equity for the Year Ended 31 December 2018

	Share capital £	Profit and loss account £	Total £
<b>At 1 January 2017</b>	50,000	1,538,525	1,588,525
<b>Changes in equity</b>			
Total comprehensive income	-	789,769	789,769
Dividends	-	(250,000)	(250,000)
<b>At 31 December 2017</b>	50,000	2,078,294	2,128,294
<b>Changes in equity</b>			
Total comprehensive income	-	496,324	496,324
Dividends	-	(300,000)	(300,000)
<b>At 31 December 2018</b>	<u>50,000</u>	<u>2,274,618</u>	<u>2,324,618</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 2018

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### 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 in March 2018.

#### Basis of preparation

The financial statements of Redcliffe International (Shipping) Limited were approved for issue by the Board of Directors on 5 June 2019. 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 exemption available to it in respect to the presentation of a cash flow statement.

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 2018 (continued)

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#### 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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
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 2018 (continued)

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#### 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 2018 (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:

	2018 £	2017 £
<b>Turnover by activity</b>		
Rendering of services	6,581,322	8,880,226
Sale of goods	69,216	238,688
	<u>6,650,538</u>	<u>9,118,914</u>
	2018 £	2017 £
<b>Turnover by geographical market</b>		
United Kingdom	3,191,626	4,499,485
Middle East	815,112	767,364
United States	198,597	32,686
Asia	2,130,583	3,496,147
Europe	314,620	314,882
Rest of the World	-	8,350
	<u>6,650,538</u>	<u>9,118,914</u>

#### 3 Other operating income

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

#### 4 Staff costs

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

	2018 Number	2017 Number
International freight forwarders	<u>37</u>	<u>33</u>

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

	2018 £	2017 £
Wages and salaries	1,568,190	1,372,605
Social security costs	144,472	154,045
Other pension costs	<u>136,329</u>	<u>244,193</u>
	<u>1,848,991</u>	<u>1,770,843</u>

## Redcliffe International (Shipping) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

#### 5 Directors' remuneration

The Directors' remuneration for the year was as follows:

	2018 £	2017 £
Remuneration	430,169	368,784
Contributions paid to money purchase schemes	45,546	108,009
	<u>475,715</u>	<u>476,793</u>

The remuneration of the highest paid Director was as follows:

	2018 £	2017 £
Salary and taxable benefits	147,824	104,306
Pension contributions to money purchase schemes	18,585	45,493
	<u>166,409</u>	<u>149,799</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.

#### 6 Operating profit

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

	2018 £	2017 £
Depreciation - owned assets	153,499	117,398
Depreciation - assets on hire purchase contracts	159,870	173,549
Amortisation expense	86	-
Operating lease expense - plant and machinery	20,218	18,909
Operating lease expense - property	36,453	36,453
Profit on disposal of property, plant and equipment	(12,797)	(26,333)
Auditors' remuneration - audit	9,750	9,000
Foreign exchange losses	387	4,777

#### 7 Interest payable and similar expenses

	2018 £	2017 £
Other interest paid	<u>8,011</u>	<u>14,444</u>



# Redcliffe International (Shipping) Limited

## Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

### 8 Taxation

	2018 £	2017 £
<b>Current taxation</b>		
UK corporation tax at 19% (2017 - 19%)	138,311	228,259
Foreign tax	1,647	-
Total current income tax	<u>139,958</u>	<u>228,259</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	(15,005)	(23,481)
Adjustments in respect of previous periods	(735)	19,723
Total deferred taxation	<u>(15,740)</u>	<u>(3,758)</u>
Tax expense in the income statement	<u>124,218</u>	<u>224,501</u>

During the year beginning 1 January 2019, the net reversal of deferred tax assets and liabilities is expected to decrease the corporation tax charge for the year by £28,130.

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:

	2018 £	2017 £
Profit before taxation	<u>620,542</u>	<u>1,014,270</u>
Tax on profit at standard UK corporation tax rate of 19% (2017 - 19%)	117,903	195,212
<b>Effects of:</b>		
Expenses not deductible for tax purposes	7,050	9,566
Adjustments in respect of previous periods	(735)	19,723
	<u>124,218</u>	<u>224,501</u>

### 9 Dividends

	2018 £	2017 £
Dividend paid of £6 (2017 - £5) on £1 ordinary shares	<u>300,000</u>	<u>250,000</u>

# Redcliffe International (Shipping) Limited

## Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

### 10 Intangible assets

	Computer software £
<b>Cost or valuation</b>	
Additions	1,035
At 31 December 2018	1,035
<b>Amortisation</b>	
Amortisation charge	86
At 31 December 2018	86
<b>Carrying amount</b>	
At 31 December 2018	949

### 11 Tangible assets

	Freehold land and buildings £	Long leasehold land and buildings £	Motor vehicles £	Other property, plant and equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2018	684,777	115,526	1,087,142	185,860	2,073,305
Additions	2,516	-	174,397	206,599	383,512
Disposals	-	-	(191,505)	-	(191,505)
At 31 December 2018	687,293	115,526	1,070,034	392,459	2,265,312
<b>Depreciation</b>					
At 1 January 2018	118,260	70,604	495,645	66,522	751,031
Charge for the year	18,608	15,315	236,302	43,144	313,369
Eliminated on disposal	-	-	(155,094)	-	(155,094)
At 31 December 2018	136,868	85,919	576,853	109,666	909,306
<b>Carrying amount</b>					
At 31 December 2018	550,425	29,607	493,181	282,793	1,356,006
At 31 December 2017	566,517	44,922	591,497	119,338	1,322,274

# Redcliffe International (Shipping) Limited

## Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

### 11 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:

	2018 £	2017 £
Motor vehicles	<u>365,592</u>	<u>491,921</u>

### 12 Stocks

	2018 £	2017 £
Raw materials and consumables	<u>34,835</u>	<u>39,064</u>

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

### 13 Debtors

	2018 £	2017 £
Trade debtors	1,629,368	1,883,474
Amounts owed by group undertakings	25,902	38,733
Prepayments and accrued income	<u>231,624</u>	<u>83,435</u>
	<u>1,886,894</u>	<u>2,005,642</u>

### 14 Creditors

	Note	2018 £	2017 £
<b>Due within one year</b>			
Hire purchase contracts	16	82,683	172,913
Trade creditors		601,530	450,749
Amounts owed to group undertakings		956,872	818,602
Corporation tax	8	85,311	106,259
Other taxes and social security		25,222	27,596
Other creditors		-	2,898
Accruals and deferred income		582,295	351,344
Outstanding defined contribution pension costs		<u>44,775</u>	<u>72,911</u>
		<u>2,378,688</u>	<u>2,003,272</u>
<b>Due after one year</b>			
Hire purchase contracts	16	<u>16,834</u>	<u>94,235</u>

# Redcliffe International (Shipping) Limited

## Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

### 15 Loans and borrowings

	2018 £	2017 £
<b>Non-current loans and borrowings</b>		
Hire purchase contracts	<u>16,834</u>	<u>94,235</u>
	<b>2018 £</b>	<b>2017 £</b>
<b>Amounts falling due within one year or on demand:</b>		
Hire purchase contracts	<u>82,683</u>	<u>172,913</u>

### 16 Obligations under leases and hire purchase contracts

#### Finance leases

The total of future minimum lease payments is as follows:

	2018 £	2017 £
Within one year	82,683	172,913
Between one and five years	16,834	80,224
Over five years	<u>-</u>	<u>14,011</u>
	<u>99,517</u>	<u>267,148</u>

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

#### Operating leases

At 31 December 2018 the Company had total future minimum rentals payable under non-cancellable operating leases as follows:

	2018 £	2017 £
<b>Buildings:</b>		
Less than one year	60,453	51,453
Between one and five years	220,813	205,813
Over five years	<u>214,486</u>	<u>265,939</u>
	<u>495,752</u>	<u>523,205</u>

### 17 Provisions for liabilities

	2018 £	2017 £
<b>Deferred tax</b>		
Accelerated capital allowances	51,440	72,933
Other timing differences	<u>(9,832)</u>	<u>(15,585)</u>
	<u>41,608</u>	<u>57,348</u>

## Redcliffe International (Shipping) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

#### 17 Provisions for liabilities (continued)

<b>Movement during the year:</b>	<b>£</b>
At 1 January 2018	57,348
Credited to profit and loss account (see note 8)	<u>(15,740)</u>
At 31 December 2018	<u>41,608</u>

#### 18 Share capital

Allotted, called up and fully paid shares	2018		2017	
	Number	£	Number	£
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

#### 19 Profit and loss account

	<b>£</b>
At 1 January 2018	2,078,294
Profit for the year	496,324
Dividends	<u>(300,000)</u>
At 31 December 2018	<u>2,274,618</u>

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

#### 20 Contingent liabilities

The Company has given a performance bond in favour of a customer amounting to US\$300,000 (2017 - US\$300,000) that was reduced to US\$200,000 after the year end. There were no liabilities in respect of this performance bond outstanding at the year end.

Subsequent to the year end, the Company gave a 90 day bid bond in favour of a potential customer amounting to £238,700 (2017 - £Nil).

#### 21 Financial instruments

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

##### Financial assets

	2018 £	2017 £
<b>Measured at undiscounted amount receivable</b>		
Trade and other debtors	<u>1,655,270</u>	<u>1,922,207</u>

## Redcliffe International (Shipping) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

#### 21 Financial instruments (continued)

##### Financial liabilities

	Note	2018 £	2017 £
<b>Measured at amortised cost</b>			
Finance leases and hire purchase contracts	15	99,517	267,148
<b>Measured at undiscounted amount payable</b>			
Trade and other creditors		<u>2,210,694</u>	<u>1,724,100</u>
		<u>2,310,211</u>	<u>1,991,248</u>

The Company's interest expense for financial liabilities at amortised cost was £8,011 (2017 - £14,444).

#### 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 £136,329 (2017 - £244,193). Contributions totalling £44,775 (2017 - £72,911) 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:

	2018 Number	2017 Number
Money purchase schemes	2	2
Group pension scheme	<u>3</u>	<u>3</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