

PARENT ACCOUNTS OF:

M

PATHFINDER PERSONNEL LIMITED
032 76262

**Southampton Cargo Handling
Limited**

Annual Report and Financial Statements

Year Ended

31 December 2019

Company Number 02439620

FRIDAY



A9X6X0EX

A06

29/01/2021

#188

COMPANIES HOUSE

Southampton Cargo Handling Limited

Company Information

Directors S W Burgess
L Davis
K M Hulme
H L F Williams

Registered number 02439620

Registered office Pilgrim House
Canute Road
Southampton
SO14 3FJ

Independent auditors BDO LLP
Arcadia House
Maritime Walk
Ocean Village
Southampton
SO14 3TL

Southampton Cargo Handling Limited

Contents

	Page
Group Strategic Report	1 - 3
Directors' Report	4 - 5
Independent Auditors' Report	6 - 8
Consolidated Statement of Comprehensive Income	9
Consolidated Statement of Financial Position	10
Company Statement of Financial Position	11
Consolidated Statement of Changes in Equity	12
Company Statement of Changes in Equity	13
Consolidated Statement of Cash Flows	14
Analysis of Net Debt	15
Notes to the Financial Statements	16 - 34

Southampton Cargo Handling Limited

Group Strategic Report For the Year Ended 31 December 2019

Introduction

The directors present the Group Strategic Report for the year ended 31 December 2019.

Principal activity

The principal activity of the Company and Group continued to be that of stevedoring, terminal handling and related services to cruise lines, Ro-Ro vessels, and other customers within the ports of Southampton, Portsmouth and Liverpool.

Business review

The Group continued to consolidate on its core businesses following the discontinuances in 2018 and saw group turnover on the continuing operations fall by 2% to £22.7m (2018: £23.2m). Profitability on the continuing activities decreased from £256k to a loss of £69k, included in this result are some unprofitable contracts which have been re-negotiated and from which the group will exit in 2020, positive effects of which will only be seen in 2020.

The Groups net assets were £1,941k (2018: £1,998k) an 4% decrease on prior year.

Principal risks and uncertainties

The Group seeks to manage the risk of losing customers by providing value adding services and creating close, long lasting and mutually beneficial partnerships with clients.

The Group is subject to ongoing uncertainty surrounding future trade with Europe and the Brexit negotiations.

The Group's credit risk is primarily attributable to its trade debtors. Credit risk is managed by monitoring payments against contractual arrangements.

The Group monitors cash flow as part of its day to day control procedures. The directors consider cash flow projections on a regular basis and ensure that appropriate facilities are available to be drawn upon as necessary.

The Group does not have any major interest rate risk as it has no significant borrowings which are subject to any substantial interest rate fluctuations.

Since the balance sheet date the COVID-19 pandemic has presented new risks for all businesses and as a result, the Group has undertaken risk assessments for all its operations and has operated within the guidelines published by Government.

Southampton Cargo Handling Limited

Group Strategic Report (continued) For the Year Ended 31 December 2019

Going Concern

Since 31 December 2019, the consequences of the COVID-19 pandemic have materially and adversely affected the demand for the group's services and, therefore, its operating results have been negatively impacted. The current known impacts of COVID-19 on the group are a decline in revenue for the first 10 months of 2020 compared to the same period in 2019 of 30%.

The continuing impact on the group of the pandemic are primarily:

- The effect of social distancing measures in workplaces impacting on capacity and productivity;
- suppressed client volumes as a result of both COVID-19 and Brexit impacts on demand; and
- the disruption to the Cruise Industry resulting from the FCOs' continuing advice against travel.

The group has restructured its operations initially by taking advantage of the Coronavirus Job Retention Scheme and also by reducing fixed costs and headcount in order to optimise the size of the business post pandemic. The company's parent, Independent Port Handling Limited, has obtained funding in the form of a £1.5m Coronavirus Business Interruption Loan and confirmation of the groups banking facilities up to December 2021 which together will allow it to fulfil its obligations and to finance its ongoing operations under various scenarios of uncertainty as to the duration of pandemic measures and levels of reduced demand.

The directors have produced a detailed going concern stress test with differing scenarios for the company and its trading subsidiaries. The conclusion of these stress tests is that the business could sustain the loss of all group cruise ship related turnover and profit contribution through the next 12 months to the end of 2021, without exceeding current banking facilities.

In light of the above, the directors are confident of being able to trade for a period of at least 12 months from the approval of the financial statements and the Directors have therefore concluded that it is appropriate for the financial statements to be prepared on the going concern basis.

Southampton Cargo Handling Limited

Group Strategic Report (continued) For the Year Ended 31 December 2019

Financial key performance indicators

The financial performance indicators used by the Group to monitor performance are continuing Turnover and Profit before tax (PBT). Details of these for the period under review for the group are as follows:

	Group 2019 £	Group 2018 £
Sales	22,734,053	22,698,162
Loss before tax	(69,360)	216,409

This report was approved by the board on 22/12/2020 and signed on its behalf.


H L F Williams
Director

Southampton Cargo Handling Limited

Directors' Report For the Year Ended 31 December 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £56,932 (2018 - loss £262,700).

No ordinary dividends were paid. The directors do not recommend the payment of a further dividend.

Directors

The directors who served during the year were:

R W Burgess (resigned 31 December 2019)
S W Burgess
L Davis
K M Hulme
L J Rawles (resigned 12 February 2019)
H L F Williams (appointed 12 February 2019)

I Morrison post year end on 31 July 2020 resigned from being a director of this company.

Future developments

The Group will continue to implement a strategy of improving productivity, developing new revenue streams and widening its customer and operational base. Details of the effect of COVID-19 are set out in note 2.1.

Southampton Cargo Handling Limited

Directors' Report (continued) For the Year Ended 31 December 2019

Employment Policies

The Group employed an average of 542 employees during the year on a mixture of full time and agency based contracts and the Group seeks to ensure that every employee is treated equally and fairly and that all employees are made aware of their responsibilities.

It is Group policy to support disabled employees and to offer them the same opportunities in matters of recruitment and career advancement, provided their abilities allow them to perform the tasks required, with or without training. Where disability occurs during employment, the Group seeks to provide retraining where necessary.

Employment Engagement

The group engages with its employees continuously through line manager briefings, regular email updates and social media groups.

Post Balance sheet events

Since the balance sheet date, the global disruption caused by COVID-19 pandemic has become ever more evident. The situation is fast changing and the scale of the impact on the global and UK economy and on individual businesses remains uncertain.

The amounts stated in these financial statements reflect conditions existing as at the balance sheet date and no adjustments have been made as a result of COVID 19. Please refer to note 2.1 for further detail on going concern.

Disclosure of information to auditors


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

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

Auditors

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

This report was approved by the board on 22/12/2020 and signed on its behalf.



H L F Williams
Director

Southampton Cargo Handling Limited

Independent Auditors' Report to the Members of Southampton Cargo Handling Limited

Opinion

We have audited the financial statements of Southampton Cargo Handling Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2019 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Consolidated Analysis of Debt and the 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 Group's and of the Parent Company's affairs as at 31 December 2019 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent 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 Group or the 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.

Southampton Cargo Handling Limited

Independent Auditors' Report to the Members of Southampton Cargo Handling Limited (continued)

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Director's report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the 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.

Southampton Cargo Handling Limited

Independent Auditors' Report to the Members of Southampton Cargo Handling Limited (continued)

Auditor's responsibilities for the audit of the financial statements

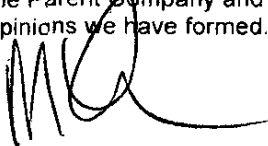
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Malcolm Thixton (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Southampton
United Kingdom 31.12.20

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

Southampton Cargo Handling Limited

Consolidated Statement of Comprehensive Income For the Year Ended 31 December 2019

		Continuing operations	Discontin'd operations	Total	Continuing operations	Discontin'd operations	Total
	Note	2019 £	2019 £	2019 £	2018 £	2018 £	2018 £
Turnover	4	22,734,053	-	22,734,053	22,698,162	710,603	23,408,765
Cost of sales		21,324,244	-	21,324,244	21,034,511	917,652	21,952,163
Gross profit		1,409,809	-	1,409,809	1,663,651	(207,049)	1,456,602
Administrative expenses		1,433,253	-	1,433,253	1,407,965	286,956	1,694,921
Operating loss	5	(23,444)	-	(23,444)	255,686	(494,005)	(238,319)
Interest payable and expenses	9	(45,916)	-	(45,916)	(39,277)	-	(39,277)
Loss before taxation		(69,360)	-	(69,360)	216,409	(494,005)	(277,596)
Tax on loss	10	12,428	-	12,428	(11,536)	26,432	14,896
Loss for the financial year		(56,932)	-	(56,932)	204,873	(467,573)	(262,700)

There were no recognised gains and losses for 2019 or 2018 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2019 (2018: £NIL).

The notes on pages 16 to 34 form part of these financial statements.

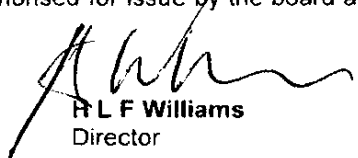
Southampton Cargo Handling Limited
Registered number: 02439620

Consolidated Statement of Financial Position
As at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	11	905,460	980,776
		<u>905,460</u>	<u>980,776</u>
Current assets			
Stocks	13	148,346	157,581
Debtors: amounts falling due within one year	14	4,201,698	6,018,961
Bank and cash balances		394,555	119,502
		<u>4,744,599</u>	<u>6,296,044</u>
Creditors: amounts falling due within one year	15	(3,537,017)	(5,082,036)
Net current assets		<u>1,207,582</u>	<u>1,214,008</u>
Total assets less current liabilities		<u>2,113,042</u>	<u>2,194,784</u>
Creditors: amounts falling due after more than one year	16	(94,369)	(125,374)
Provisions for liabilities			
Deferred tax		(77,376)	(71,181)
Net assets		<u><u>1,941,297</u></u>	<u><u>1,998,229</u></u>
Capital and reserves			
Called up share capital	20	426,002	426,002
Capital redemption reserve	21	138,000	138,000
Profit and loss account	21	1,377,295	1,434,227
		<u><u>1,941,297</u></u>	<u><u>1,998,229</u></u>

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


L Davis
Director


R L F Williams
Director

22/12/2020


The notes on pages 16 to 34 form part of these financial statements.

Southampton Cargo Handling Limited
Registered number: 02439620

Company Statement of Financial Position
As at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	11	864,903	932,554
Investments	12	200	200
		<u>865,103</u>	<u>932,754</u>
Current assets			
Stocks	13	148,346	157,581
Debtors: amounts falling due within one year	14	2,613,117	4,249,868
Cash at bank and in hand		326,291	82,977
		<u>3,087,754</u>	<u>4,490,426</u>
Creditors: amounts falling due within one year	15	(2,976,099)	(4,242,159)
Net current assets		<u>111,655</u>	<u>248,267</u>
Total assets less current liabilities		<u>976,758</u>	<u>1,181,021</u>
Creditors: amounts falling due after more than one year	16	(94,369)	(125,374)
Provisions for liabilities			
Deferred taxation	19	(77,518)	(71,928)
Net assets		<u><u>804,871</u></u>	<u><u>983,719</u></u>
Capital and reserves			
Called up share capital	20	426,002	426,002
Capital redemption reserve	21	138,000	138,000
Profit and loss account	21	240,869	419,717
		<u><u>804,871</u></u>	<u><u>983,719</u></u>

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


L Davis
Director


H L F Williams
Director

22/12/2020

The notes on pages 16 to 34 form part of these financial statements.

Southampton Cargo Handling Limited
Registered number:02439620

Company Statement of Financial Position
As at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	11	864,903	932,554
Investments	12	200	200
		<u>865,103</u>	<u>932,754</u>
Current assets			
Stocks	13	148,346	157,581
Debtors: amounts falling due within one year	14	2,613,117	4,249,868
Cash at bank and in hand		326,291	82,977
		<u>3,087,754</u>	<u>4,490,426</u>
Creditors: amounts falling due within one year	15	(2,976,099)	(4,242,159)
Net current assets		<u>111,655</u>	<u>248,267</u>
Total assets less current liabilities		<u>976,758</u>	<u>1,181,021</u>
Creditors: amounts falling due after more than one year	16	(94,369)	(125,374)
Provisions for liabilities			
Deferred taxation	19	(77,518)	(71,928)
Net assets		<u>804,871</u>	<u>983,719</u>
Capital and reserves			
Called up share capital	20	426,002	426,002
Capital redemption reserve	21	138,000	138,000
Profit and loss account	21	240,869	419,717
		<u>804,871</u>	<u>983,719</u>

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


L. Davis
Director


H. L. F. Williams
Director

22/12/2020

The notes on pages 16 to 34 form part of these financial statements.

Southampton Cargo Handling Limited

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2019

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 January 2018	426,002	138,000	1,696,927	2,260,929	2,260,929
Comprehensive loss for the year (Loss) and total comprehensive loss for the year	-	-	(262,700)	(262,700)	(262,700)
At 1 January 2019	426,002	138,000	1,434,227	1,998,229	1,998,229
Comprehensive loss for the year (Loss) and total comprehensive loss for the year	-	-	(56,932)	(56,932)	(56,932)
At 31 December 2019	426,002	138,000	1,377,295	1,941,297	1,941,297

The notes on pages 16 to 34 form part of these financial statements.

Southampton Cargo Handling Limited

Company Statement of Changes in Equity For the Year Ended 31 December 2019

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 January 2018	426,002	138,000	778,128	1,342,130
Comprehensive loss for the year (Loss) and total comprehensive loss for the year	-	-	(358,411)	(358,411)
At 1 January 2019	426,002	138,000	419,717	983,719
Comprehensive loss for the year (Loss) and total comprehensive loss for the year	-	-	(178,848)	(178,848)
At 31 December 2019	426,002	138,000	240,869	804,871

The notes on pages 16 to 34 form part of these financial statements.

Southampton Cargo Handling Limited

Consolidated Statement of Cash Flows For the Year Ended 31 December 2019

	2019 £	2018 £
Cash flows from operating activities		
Loss for the financial year	(56,932)	(262,700)
Adjustments for:		
Depreciation of tangible assets	215,354	322,565
Interest paid	45,916	39,277
Taxation charge	(12,428)	(14,896)
Decrease in stocks	9,233	82,377
Decrease in debtors	1,838,723	709,997
(Decrease) in creditors	(1,347,732)	(1,221,232)
Corporation tax (paid)	(18,280)	(58,426)
Net cash generated from/(used in) operating activities	673,854	(403,038)
Cash flows from investing activities		
Purchase of tangible fixed assets	(246,779)	(170,616)
Sale of tangible fixed assets	106,742	27,479
HP interest paid	(9,989)	(9,984)
Net cash (used in) investing activities	(150,026)	(153,121)
Cash flows from financing activities		
Repayment of/new finance leases	(16,858)	(24,894)
Interest paid	(35,927)	(29,293)
Net cash (used in) financing activities	(52,785)	(54,187)
Net increase/(decrease) in cash and cash equivalents	471,043	(610,346)
Cash and cash equivalents at beginning of year	(782,866)	(172,520)
Cash and cash equivalents at the end of year	(311,823)	(782,866)
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	394,555	119,502
Bank overdrafts	(706,378)	(902,368)
	(311,823)	(782,866)

The notes on pages 16 to 34 form part of these financial statements.

Southampton Cargo Handling Limited

Consolidated Analysis of Net Debt For the Year Ended 31 December 2019

	At 1 January 2019 £	Cash flows £	Other non- cash changes £	At 31 December 2019 £
Cash at bank and in hand	119,502	275,053	-	394,555
Bank overdrafts	(902,368)	-	195,990	(706,378)
Finance leases	(205,459)	-	16,858	(188,601)
	<u>(988,325)</u>	<u>275,053</u>	<u>212,848</u>	<u>(500,424)</u>

The notes on pages 16 to 34 form part of these financial statements.

Southampton Cargo Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

1. General information

Southampton Cargo Handling Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is shown on the Company Information page. The nature of the Company's operations and its principal activities are outlined in the Strategic Report.

2. Accounting policies

2.1 Going Concern

Since 31 December 2019, the consequences of the COVID-19 pandemic have materially and adversely affected the demand for the group's services and, therefore, its operating results have been negatively impacted. The current known impacts of COVID-19 on the group are a decline in revenue for the first 10 months of 2020 compared to the same period in 2019 of 30%.

The continuing impact on the group of the pandemic are primarily:

- The effect of social distancing measures in workplaces impacting on capacity and productivity;
- suppressed client volumes as a result of both COVID-19 and Brexit impacts on demand; and
- the disruption to the Cruise Industry resulting from the FCOs' continuing advice against travel.

The group has restructured its operations initially by taking advantage of the Coronavirus Job Retention Scheme and also by reducing fixed costs and headcount in order to optimise the size of the business post pandemic. The company's parent, Independent Port Handling Limited, has obtained funding in the form of a £1.5m Coronavirus Business Interruption Loan and confirmation of the groups banking facilities up to December 2021 which together will allow it to fulfil its obligations and to finance its ongoing operations under various scenarios of uncertainty as to the duration of pandemic measures and levels of reduced demand.

The directors have produced a detailed going concern stress test with differing scenarios for the company and its trading subsidiaries. The conclusion of these stress tests is that the business could sustain the loss of all group cruise ship related turnover and profit contribution through the next 12 months to the end of 2021, without exceeding current banking facilities.

In light of the above, the directors are confident of being able to trade for a period of at least 12 months from the approval of the financial statements and the Directors have therefore concluded that it is appropriate for the financial statements to be prepared on the going concern basis.

Southampton Cargo Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.2 Basis of preparation of financial statements

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

The group and company have applied FRS 102 (March 2018) in these financial statements, which includes the amendments as a result of the Triennial Review 2017.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.3 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.4 Revenue

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

2.5 Tangible fixed assets

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Southampton Cargo Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	- Straight line over 5 and 10 years
Plant and equipment	- Straight line over 3, 5 and 10 years
Fixtures and fittings	- Straight line over 4 and 5 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.6 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 Debtors

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

Southampton Cargo Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.10 Cash and cash equivalents

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

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.11 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.12 Creditors

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

Southampton Cargo Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.13 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.14 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.15 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.16 Provisions for liabilities

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

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

Southampton Cargo Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.17 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

3. Judgements in applying accounting policies and key sources of estimation uncertainty

in preparing these financial statements, the directors have had to make the following judgments:

- **Obligations under leases**
Determine whether leases entered into by the Group either as a lessor or a lessee are operating or lease or finance leases and to include all appropriate obligations either actual or contingent. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the Group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability an expected future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- **Tangible fixed assets (see note 11)**
Tangible fixed assets, other than investments properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Southampton Cargo Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Stevedoring, terminal handling and related services	<u>22,734,053</u>	<u>23,408,765</u>

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	<u>22,734,053</u>	<u>23,408,765</u>

5. Operating loss

The operating loss is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	274,238	263,583
Impairment of tangible fixed assets	58,882	(58,882)
Operating lease rentals	770,179	690,420
Defined contribution pension cost	<u>203,230</u>	<u>165,216</u>

6. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	14,350	11,050
Audit of the company's subsidiaries	5,150	5,150
	<u>19,500</u>	<u>16,200</u>

Fees payable to the Group's auditor and its associates in respect of:

Taxation compliance services	6,470	3,680
All other non-audit services	5,740	3,650
	<u>12,210</u>	<u>7,330</u>

Southampton Cargo Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Wages and salaries	8,439,226	8,587,406	5,063,269	2,882,194
Social security costs	625,628	644,968	477,908	445,980
Cost of defined contribution scheme	203,230	165,216	158,185	118,846
	<u>9,268,084</u>	<u>9,397,590</u>	<u>5,699,362</u>	<u>3,447,020</u>

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2019 No.	Group 2018 No.	Company 2019 No.	Company 2018 No.
Operational employees and directors	<u>542</u>	<u>563</u>	<u>185</u>	<u>178</u>

The average employee numbers above include a mix of full time employees and agency employed staff members.

8. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	500,026	486,449
Company contributions to defined contribution pension schemes	43,786	42,800
	<u>543,812</u>	<u>529,249</u>

During the year retirement benefits were accruing to 8 directors (2018 - 6) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £89,000 (2018 - £90,876).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £7,700 (2018 - £7,700).

Southampton Cargo Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

9. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	-	60
Other loan interest payable	35,927	29,233
Finance leases and hire purchase contracts	9,989	9,984
	<u>45,916</u>	<u>39,277</u>

10. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on losses for the year	-	14,171
Adjustments in respect of previous periods	(18,623)	(8,392)
Total current tax	<u>(18,623)</u>	<u>5,779</u>
Deferred tax		
Origination and reversal of timing differences	(6,827)	(23,758)
Changes to tax rates	13,022	3,083
Total deferred tax	<u>6,195</u>	<u>(20,675)</u>
Taxation on loss on ordinary activities	<u>(12,428)</u>	<u>(14,896)</u>

Southampton Cargo Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Loss on ordinary activities before tax	(69,360)	(277,596)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(13,178)	(52,743)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,967	37,377
Adjustments in respect of prior periods	(18,623)	(8,392)
Adjustments in respect of prior periods (deferred tax)	13,022	3,083
Other movements	1,384	5,779
Total tax (charge) for the year	(12,428)	(14,896)

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 20% to 19% was substantively enacted in October 2015 and will take effect from 1 April 2017. A further reduction from 19% to 18% was also substantively enacted in October 2015 and will take effect from 1 April 2020. The deferred tax reflects these rates.

Subsequent to the year end legislation was substantially enacted to change the rate corporation tax rate from the proposed 17% to be 19% going forward. This change does not affect the amounts of current or deferred taxation recognised as at 31 December 2019.

Southampton Cargo Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

11. Tangible fixed assets

Group

	Short-term leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 January 2019	385,404	1,754,003	876,104	3,015,511
Additions	49,007	105,148	85,097	239,252
Disposals	(124,608)	(141,247)	-	(265,855)
Transfers between classes	-	7,532	-	7,532
At 31 December 2019	309,803	1,725,436	961,201	2,996,440
Depreciation				
At 1 January 2019	223,645	1,074,372	736,718	2,034,735
Charge for the year	39,493	185,474	49,271	274,238
Disposals	(53,148)	(105,962)	-	(159,110)
Impairment losses written back	(58,883)	-	-	(58,883)
At 31 December 2019	151,107	1,153,884	785,989	2,090,980
Net book value				
At 31 December 2019	158,696	571,552	175,212	905,460
At 31 December 2018	161,759	679,631	139,386	980,776

Southampton Cargo Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

11. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

			2019 £	2018 £
Plant and machinery			297,330	343,707
Company				
	Short-term leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost or valuation				
At 1 January 2019	382,654	1,635,790	487,739	2,506,183
Additions	49,007	105,148	67,947	222,102
Disposals	(124,608)	(141,247)	-	(265,855)
Transfers between classes	-	7,532	-	7,532
At 31 December 2019	307,053	1,607,223	555,686	2,469,962
Depreciation				
At 1 January 2019	222,866	987,196	363,567	1,573,629
Charge for the year	39,218	172,389	37,816	249,423
Disposals	(53,148)	(105,962)	-	(159,110)
Impairment losses written back	(58,883)	-	-	(58,883)
At 31 December 2019	150,053	1,053,623	401,383	1,605,059
Net book value				
At 31 December 2019	157,000	553,600	154,303	864,903
At 31 December 2018	159,788	648,594	124,172	932,554

Southampton Cargo Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

12. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2019	200
At 31 December 2019	200

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
*Cruise and Passenger Services Limited	Stevedoring, terminal handling and related services	Ordinary	100%
*Pathfinder Personnel Limited	Agency staffing and recruitment	Ordinary	100%

* For the year ended 31 December 2019 the above companies were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The registered address of the above subsidiaries is the same as the registered address stated on the contents page.

13. Stocks

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Raw materials and consumables	148,346	157,581	148,346	157,581

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Southampton Cargo Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

14. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	2,502,254	2,958,427	1,219,069	1,770,340
Amounts owed by group undertakings	1,245,533	2,145,292	1,031,456	1,718,292
Other debtors	198,511	175,919	153,767	117,894
Prepayments and accrued income	255,400	739,323	208,825	643,342
	<u>4,201,698</u>	<u>6,018,961</u>	<u>2,613,117</u>	<u>4,249,868</u>

15. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank overdrafts	706,378	902,368	706,378	902,368
Trade creditors	962,551	1,625,466	962,551	1,625,466
Amounts owed to group undertakings	-	375,417	84,525	428,708
Amounts owed to related undertakings	-	182,751	-	182,751
Corporation tax	4,002	18,280	-	236
Other taxation and social security	302,641	289,718	259,928	224,944
Obligations under finance lease and hire purchase contracts	94,232	80,085	94,232	80,085
Other creditors	106,839	124,561	49,947	30,289
Accruals and deferred income	1,360,374	1,483,390	818,538	767,312
	<u>3,537,017</u>	<u>5,082,036</u>	<u>2,976,099</u>	<u>4,242,159</u>

16. Creditors: Amounts falling due after more than one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Obligations under finance leases and hire purchase contracts	94,369	125,374	94,369	125,374

The obligations under finance leases and hire purchase contracts are secured on the assets concerned.

The bank borrowings are secured by way of a guarantee and a fixed and floating charge over the assets of the Company.

Southampton Cargo Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

17. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Within one year	94,232	80,085	94,232	80,085
Between 1-5 years	94,369	125,837	94,369	125,837
	<u>188,601</u>	<u>205,922</u>	<u>188,601</u>	<u>205,922</u>

Finance lease payments represent rentals payable by the Company or Group for certain items of plant and machinery. Leases included purchase options at the end of the lease period and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rent payments.

18. Financial instruments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	<u>4,319,393</u>	<u>5,398,944</u>	<u>2,713,823</u>	<u>3,689,308</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(3,324,938)</u>	<u>(4,883,698)</u>	<u>(2,810,734)</u>	<u>(3,920,849)</u>

Financial assets that are debt instruments measured at amortised cost comprise cash at bank and in hand, trade debtors, amounts owed by Group undertakings, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise bank overdrafts, trade creditors, other tax and social security, other creditors and accruals.

Southampton Cargo Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

19. Deferred taxation

Group

	2019 £	2018 £
At beginning of year	(71,181)	(91,856)
Charged to the profit or loss	(6,195)	20,675
At end of year	(77,376)	(71,181)

Company

	2019 £	2018 £
At beginning of year	(71,928)	(95,114)
Charged to profit or loss	(5,590)	23,186
At end of year	(77,518)	(71,928)

The provision for deferred taxation is made up as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Accelerated capital allowances	(86,668)	(74,746)	(86,369)	(74,917)
Short term timing differences	4,081	3,565	3,640	2,989
Losses and other deductions	5,211	-	5,211	-
	(77,376)	(71,181)	(77,518)	(71,928)

20. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
426,002 (2018 - 426,002) Ordinary shares of £1 each	426,002	426,002

Southampton Cargo Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

21. Reserves

Capital redemption reserve

The capital redemption reserve arose from the repurchase of the Company's own shares.

Profit and loss account

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

Called up share capital

Called up share capital represents the nominal value of the shares issued.

22. Capital commitments

At 31 December 2019 the Group and Company had capital commitments as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Contracted for but not provided in these financial statements	-	20,100	-	6,100

23. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £203,230 (2018 - £165,215). Contributions totalling £35,329 (2018 - £27,131) were payable to the fund at the reporting date.

24. Related party transactions

The remuneration of key management personnel, which includes directors, is as follows:

Aggregate compensation to key management personnel amounted to £604,616 (2018: £602,315).

The Company has taken advantage of the exemption conferred by FRS 102, section 33 'Related Party Disclosures', not to disclose transactions entered into between wholly owned group companies.

As the group is not a wholly owned subsidiary of Independent Port Handling Limited, we are required to disclose transactions between this Group and that Company and its other direct holding subsidiary companies.

During the year the Group and Company transacted with a number of companies that were related to virtue of their common control.

Southampton Cargo Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

24. Related party transactions (continued)

The tables below disclose the transactions and year end balances with these respective related parties.

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Transactions during the year				
Transactions to fellow group undertakings under common control	-	134,064	-	-
Transactions to companies under common control outside of the group	23,962	29,067	23,962	29,067
Transactions from fellow group undertakings under common control	-	-	-	-
Transactions from companies under common control outside of the group	75,319	104,935	75,319	104,935
	<u>Group 2019 £</u>	<u>Group 2018 £</u>	<u>Company 2019 £</u>	<u>Company 2018 £</u>
Balances				
Balances owed by fellow group undertakings under common control	873,370	2,145,292	1,215,370	1,718,292
Balances owed companies under common control outside of the group	5,876	5,613	5,876	5,613
Balances owed to fellow group undertakings under common control	(311,837)	(375,416)	(183,914)	(222,918)
Balances owed to companies under common control outside of the group	(9,807)	(190,182)	(9,870)	(190,182)

The company makes advances to Mr S W Burgess to enable him to meet expenditure incurred by him in his capacity as a Director. At the end of the year the balance outstanding in respect of these advances was £37,007 (2018 - £17,894), the maximum amount outstanding during the year was £ £34,642 (2018 - £18,346). These balances do not attract an interest. The amounts are repayable on demand and included in debtors.

Southampton Cargo Handling Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

25. Commitments under operating leases

Operating lease payments represent rentals payable by the company for certain properties and for other operating equipment.

At 31 December 2019 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Not later than 1 year	641,122	177,144	641,122	177,144
Later than 1 year and not later than 5 years	420,264	1,180,126	420,264	1,178,408
Later than 5 years	-	206,250	-	206,250
	<u>1,061,386</u>	<u>1,563,520</u>	<u>1,061,386</u>	<u>1,561,802</u>

26. Post Balance sheet events

Since the balance sheet date, the global disruption caused by COVID-19 pandemic has become ever more evident. The situation is fast changing and the scale of the impact on the global and UK economy and on individual businesses remains uncertain.

The amounts stated in these financial statements reflect conditions existing as at the balance sheet date and no adjustments have been made as a result of COVID 19. Please refer to note 2.1 for further detail on going concern.

27. Controlling party

The controlling party is Mr S W Burgess by virtue of his shareholding in the ultimate parent company, Independent Port Handling Limited, a Company incorporated in Great Britain and registered in England and Wales. The largest and smallest Group in which the results are consolidated is that headed by Independent Port Handling Limited.