

# Southampton Cargo Handling Limited

Annual Report and Financial Statements

Year Ended

31 December 2021

Company Number 02439620

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# Southampton Cargo Handling Limited

## Company Information

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**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 auditor** BDO LLP  
Arcadia House  
Maritime Walk  
Ocean Village  
Southampton  
SO14 3TL

# Southampton Cargo Handling Limited

## Contents

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	Page
<b>Group Strategic Report</b>	1 - 2
<b>Directors' Report</b>	3 - 4
<b>Independent Auditor's Report</b>	5 - 8
<b>Consolidated Statement of Comprehensive Income</b>	9
<b>Consolidated Statement of Financial Position</b>	10
<b>Company Statement of Financial Position</b>	11
<b>Consolidated Statement of Changes in Equity</b>	12
<b>Company Statement of Changes in Equity</b>	12
<b>Consolidated Statement of Cash Flows</b>	13
<b>Consolidated Analysis of Net Debt</b>	14
<b>Notes to the Financial Statements</b>	15 - 32

# Southampton Cargo Handling Limited

## Group Strategic Report For the Year Ended 31 December 2021

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### Introduction

The directors present the Group Strategic Report for the year ended 31 December 2021.

### Principal activity

The principal activity of the 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, Dover and Liverpool.

### Business review

Group turnover increased by 16.6% to 15.1m (2020 - £12.9m) as the Group's cruise businesses recovered from the COVID-19 pandemic, recovery in other parts continued to be affected by in component shortages. Losses were reducing from £988k loss to £31k loss.

The Groups net assets were £937k (2020 - £999k).

Trading in the current year has been affected by component shortages and, along with many other businesses, the Ukraine crisis has exacerbated these shortages and delayed the recovery to pre-pandemic levels. The directors expect that the business will return to profitability in the year to December 2022.

### 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 supply chain issues and the current economic environment of cost rises/inflation.

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.

### Going concern

The Group regularly prepares detailed consolidated forecasts which comprise a set of fully integrated profit and loss accounts for each business unit, balance sheets and cash flows based on year-to-date performance and reforecasts.

The company obtained a Coronavirus Business Interruption Loan (CBILS) of £1 million in 2020 and together with confirmation of the groups banking facilities will allow it to fulfil its obligations and to finance its ongoing operations.

# Southampton Cargo Handling Limited

1

## **Group Strategic Report (continued)** **For the Year Ended 31 December 2021**

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The directors have monitored year to date performance against budget in 2022 and have performed additional reforecasts to the end of 2023 and the Group is expected to remain in a strong financial position over the forecast period. In light of the above, Details of going concern considerations are set out in note 2.1, the conclusion of which is that 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 have therefore concluded that it is appropriate for the financial statements to be prepared on the going concern basis.

**H L F Williams**  
Director  
23.12.2022

# Southampton Cargo Handling Limited

## Directors' Report For the Year Ended 31 December 2021

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The directors present their report together with the audited financial statements for the year ended 31 December 2021.

### 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 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 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 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 £31,419 (2020 - loss of £988,280).  
The directors have not paid and do not recommend payment of a dividend.

### Directors

The directors who served during the year were:

S W Burgess  
L Davis  
K Hulme  
H L F Williams

### Future developments

The Group will continue to implement a strategy of improving productivity, developing new revenue streams and widening its customer and operational base.

### Employment Policies

The Group employed an average of 111 employees during the year on full time contracts and an average of 171 on agency based contracts. 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.

# **Southampton Cargo Handling Limited**

## **Directors' Report (continued) For the Year Ended 31 December 2021**

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### **Employee Engagement**

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

### **Disclosure of information to auditor**

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

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

### **Auditor**

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

**H L F Williams**  
Director  
23.12.2022

# Southampton Cargo Handling Limited

## Independent Auditor's Report to the Members of Southampton Cargo Handling Limited

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### Opinion on the financial statements

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 2021 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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 2021 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 Net Debt 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).

### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

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.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.



# **Southampton Cargo Handling Limited**

## **Independent Auditor's Report to the Members of Southampton Cargo Handling Limited (continued)**

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### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

### **Other Companies Act 2006 reporting**

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

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

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 or the Directors' 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 Auditor's Report to the Members of Southampton Cargo Handling Limited (continued)

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#### 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.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Group and Company, we considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and UK tax legislation. We evaluated management incentives and opportunities for fraudulent manipulation of the financial statements including management override, and considered that the principal risks were related to the posting of inappropriate journal entries, to improve the result before tax for the year.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

Procedures performed by the audit team included:

- Discussions with management regarding consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions made by management in their significant accounting estimates and assessing whether the judgements made in accounting entries are indicative of potential bias;
- Identifying and testing journal entries, in particular any manual journal entries to revenue or control accounts and journals posted by senior management;
- Reviewing senior management board meeting minutes for evidence of any fraud or non-compliance with laws and regulations;
- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

# Southampton Cargo Handling Limited

## Independent Auditor's Report to the Members of Southampton Cargo Handling Limited (continued)

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Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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

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 2021

	Note	2021 £	2020 £
Turnover	4	14,056,229	12,922,375
Cost of sales		(12,761,481)	(13,130,650)
<b>Gross profit/(loss)</b>		<b>1,294,749</b>	<b>(208,275)</b>
Administrative expenses		(1,623,344)	(1,834,967)
Other operating income	5	332,661	969,273
<b>Operating profit/(loss)</b>	6	<b>4,066</b>	<b>(1,073,969)</b>
Interest payable and similar charges	10	(31,513)	(37,918)
<b>Profit/(loss) before taxation</b>		<b>(27,447)</b>	<b>(1,111,887)</b>
Tax on profit/(loss)	11	(3,972)	123,406
<b>Profit/(loss) for the financial year</b>		<b><u>(31,419)</u></b>	<b><u>(988,481)</u></b>

There were no recognised gains and losses for 2021 or 2020 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2021 (2020 - £Nil).

The notes on pages 15 to 32 form part of these financial statements.

**Southampton Cargo Handling Limited**  
Registered number: 02439620

**Consolidated Statement of Financial Position**  
**As at 31 December 2021**

	Note	2021 £	2021 £	2020 £	2020 £
<b>Fixed assets</b>					
Tangible assets	12		413,539		606,125
<b>Current assets</b>					
Stocks	14	121,838		87,762	
Debtors: amounts falling due within one year	15	3,735,847		3,077,319	
Cash at bank and in hand	16	272,088		52,001	
		<u>4,129,773</u>		<u>3,217,082</u>	
Creditors: amounts falling due within one year	17	(3,606,460)		(2,823,769)	
<b>Net current assets</b>			<u>523,313</u>		<u>393,313</u>
<b>Total assets less current liabilities</b>			<u>936,852</u>		<u>999,438</u>
Creditors: amounts falling due after more than one year	18		(15,939)		(46,622)
Deferred tax liability			284		
<b>Net assets</b>			<u><u>921,196</u></u>		<u><u>952,816</u></u>
<b>Capital and reserves</b>					
Called up share capital	21		426,002		426,002
Capital redemption reserve	22		138,000		138,000
Profit and loss account	22		357,194		388,814
<b>Total equity</b>			<u><u>921,196</u></u>		<u><u>952,816</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 December 2022.

  
**L Davis**  
Director

**H L F Williams**  
Director

The notes on pages 15 to 32 form part of these financial statements.

**Southampton Cargo Handling Limited**  
Registered number: 02439620

**Company Statement of Financial Position**  
**As at 31 December 2021**

	Note	2021 £	2021 £	2020 £	2020 £
<b>Fixed assets</b>					
Tangible assets	12		363,445		586,690
Investments	13		200		200
			<u>363,645</u>		<u>586,890</u>
<b>Current assets</b>					
Stocks	14	113,783		87,762	
Debtors: amounts falling due within one year	15	3,045,177		3,185,526	
Cash at bank and in hand	16	182,707		11,288	
		<u>3,341,667</u>		<u>3,284,576</u>	
Creditors: amounts falling due within one year	17	(3,599,164)		(3,551,301)	
<b>Net current liabilities</b>			<u>(257,497)</u>		<u>(266,725)</u>
<b>Total assets less current liabilities</b>			<u>106,147</u>		<u>320,165</u>
Creditors: amounts falling due after more than one year	18		(15,939)		(46,622)
<b>Net assets</b>			<u>90,208</u>		<u>273,543</u>
<b>Capital and reserves</b>					
Called up share capital	21		426,002		426,002
Capital redemption reserve	22		138,000		138,000
Profit and loss account	22		(473,794)		(290,459)
<b>Total equity</b>			<u>90,208</u>		<u>273,543</u>

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 income and retained earnings in these financial statements. The loss after tax of the Parent Company for the period was £183,132 (£531,328).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 December 2022.

**L Davis**  
Director

**H L F Williams**  
Director

The notes on pages 15 to 32 form part of these financial statements.

## Southampton Cargo Handling Limited

### Consolidated Statement of Changes in Equity For the Year Ended 31 December 2021

	Called up share capital	Capital redemption reserve	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£
<b>At 1 January 2020</b>	426,002	138,000	1,377,094	1,941,096	1,941,096
<b>Comprehensive loss for the year</b>					
Loss and total comprehensive loss for the year	-	-	(988,481)	(988,481)	(988,481)
<b>At 1 January 2021</b>	426,002	138,000	388,613	952,615	952,615
<b>Comprehensive profit for the year</b>					
Profit and total comprehensive profit for the year	-	-	(31,419)	(31,419)	(31,419)
<b>At 31 December 2021</b>	<u>426,002</u>	<u>138,000</u>	<u>357,194</u>	<u>921,196</u>	<u>921,196</u>

### Company Statement of Changes in Equity For the Year Ended 31 December 2021

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
<b>At 1 January 2020</b>	426,002	138,000	240,666	804,668
<b>Comprehensive loss for the year</b>				
Loss and total comprehensive loss for the year	-	-	(531,328)	(531,328)
<b>At 1 January 2021</b>	426,002	138,000	(290,662)	273,340
<b>Comprehensive loss for the year</b>				
Loss and total comprehensive loss for the year	-	-	(183,132)	(183,132)
<b>At 31 December 2021</b>	<u>426,002</u>	<u>138,000</u>	<u>(473,794)</u>	<u>90,208</u>

The notes on pages 15 to 32 form part of these financial statements.

## Southampton Cargo Handling Limited

### Consolidated Statement of Cash Flows For the Year Ended 31 December 2021

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	(31,419)	(988,481)
<b>Adjustments for:</b>		
Depreciation of tangible assets	231,472	263,711
Interest paid	31,513	37,918
Taxation charge	3,972	(123,406)
(Increase)/decrease in stocks	(34,076)	60,584
(Increase)/decrease in debtors	(608,426)	1,128,635
Increase/(decrease) in creditors	1,017,386	(947,536)
Corporation tax (paid)/received	12,585	37,772
<b>Net cash generated from operating activities</b>	<b>623,006</b>	<b>(530,803)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(158,070)	(48,701)
Sale of tangible fixed assets	119,188	84,325
HP interest paid	(6,852)	(7,939)
<b>Net cash from investing activities</b>	<b>(45,734)</b>	<b>27,685</b>
<b>Cash flows from financing activities</b>		
Repayment of/new finance leases	(65,286)	(76,694)
Interest paid	(24,662)	(29,979)
<b>Net cash used in financing activities</b>	<b>(89,948)</b>	<b>(106,673)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>487,325</b>	<b>(609,791)</b>
Cash and cash equivalents at beginning of year	(215,237)	394,555
Cash and cash equivalents at the end of year	<u><b>272,088</b></u>	<u><b>(215,236)</b></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	272,088	52,001
Bank overdrafts	-	(267,237)
	<u><b>272,088</b></u>	<u><b>(215,236)</b></u>



## Southampton Cargo Handling Limited

### Consolidated Analysis of Net Debt For the Year Ended 31 December 2021

	At 1 January 2020 £	Cash flows £	Other non- cash changes £	At 31 December 2021 £
Cash at bank and in hand	52,001	220,087	-	272,088
Bank overdrafts	(267,237)	267,237	-	-
Invoice financing liability	(447,871)	(38,583)	-	(486,454)
Finance leases	(65,285)	34,603	-	(30,683)
	<u>(728,392)</u>	<u>483,344</u>	<u>-</u>	<u>(245,049)</u>

The notes on pages 15 to 32 form part of these financial statements.

# Southampton Cargo Handling Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 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

The Groups business activities, business review and principal risks and uncertainties are set out in the Strategic Report.

The financial statements have been prepared on a going concern basis as the Group directors have monitored year to date performance against budget in 2022 and have performed additional reforecasts to the end of 2023 and the Group is expected to remain in a strong financial position over the forecast period. Going concern stress test with differing scenarios for the all the business units of the Company and its trading subsidiaries have also been considered. The conclusion of these stress tests is that the business has sufficient headroom can trade for the next 12 months comfortably within its current banking facilities across the forecast period.

The company obtained a Coronavirus Business Interruption Loan (CBILS) of £1.5 million in 2020 and together with confirmation of the groups banking facilities will allow it to fulfil its obligations and to finance its ongoing operations.

#### 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 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 presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

# Southampton Cargo Handling Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 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

Revenue 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 Government grants

Government grants are recognised on the accrual basis and any performance requirements are disclosed as required.

#### 2.6 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.

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 the Consolidated Statement of Comprehensive Income..

# Southampton Cargo Handling Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 2.7 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 valued 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.

#### 2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

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 the Consolidated Statement of Comprehensive Income.

#### 2.10 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.

#### 2.11 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.

#### 2.12 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.

# Southampton Cargo Handling Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 2.12 Financial instruments (continued)

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.

#### 2.13 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.

#### 2.14 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income 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.

# Southampton Cargo Handling Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 2.15 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 the Consolidated Statement of Comprehensive Income 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.

#### 2.16 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

#### 2.17 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 the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the reporting 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.

#### 2.18 Current and deferred taxation

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

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

# Southampton Cargo Handling Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 2.18 Current and deferred taxation (continued)

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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 judgements:

- **Obligations under leases**  
Determine whether leases entered into by the Group either as a lessor or a lessee are operating leases 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 and 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 12)**  
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 2021

### 4. Turnover

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

	2021 £	2020 £
Stevedoring, terminal handling and related services	<u>14,056,229</u>	<u>12,922,375</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	13,952,595	12,922,375
Rest of Europe	103,634	-
	<u>14,056,229</u>	<u>12,922,375</u>

### 5. Other operating income

	2021 £	2020 £
Coronavirus Job Retention Scheme	<u>332,661</u>	<u>969,273</u>

The UK government on 20 March 2020 announced the introduction of the Coronavirus Job Retention Scheme as a part of a comprehensive set of grants offered to companies to ensure continued business continuity. The group was awarded the grant to furlough employees as required; the scheme is set to remain until September 2021.

### 6. Operating profit/(loss)

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

	2021 £	2020 £
Depreciation of tangible fixed assets	231,472	263,711
Other operating lease rentals	806,404	854,729
Defined contribution pension cost	<u>135,364</u>	<u>165,538</u>



# Southampton Cargo Handling Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	16,200	14,720
Audit of the Company's subsidiaries	5,800	5,280
	<u>22,000</u>	<u>20,000</u>

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

Taxation compliance services	10,500	4,500
All other non-audit services	4,230	2,490
	<u>14,730</u>	<u>6,990</u>

### 8. Employees

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	5,465,005	6,141,710	3,389,521	4,629,111
Social security costs	439,141	482,499	336,956	410,459
Cost of defined contribution scheme	135,364	165,538	108,766	139,721
	<u>6,039,510</u>	<u>6,789,747</u>	<u>3,835,243</u>	<u>5,179,291</u>

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

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Operational employees and directors	<u>282</u>	<u>313</u>	<u>111</u>	<u>170</u>

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

# Southampton Cargo Handling Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	339,682	427,289
Group contributions to defined contribution pension schemes	41,944	50,079
	<u>381,626</u>	<u>477,368</u>

During the year retirement benefits were accruing to 4 directors (2020 - 6) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £95,682 (2020 - £93,897).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9,068 (2020 - £11,553).

### 10. Interest payable and similar charges

	2021 £	2020 £
Bank interest payable	27	-
Other loan interest payable	24,635	29,979
Finance leases and hire purchase contracts	6,852	7,939
	<u>31,514</u>	<u>37,918</u>

### 11. Taxation

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits/(losses) for the year	-	(41,774)
<b>Total current tax</b>	<u>-</u>	<u>(41,774)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(283)	(91,228)
Changes to tax rates	(1)	9,596
<b>Total deferred tax</b>	<u>(284)</u>	<u>(81,632)</u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<u>(284)</u>	<u>(123,406)</u>

# Southampton Cargo Handling Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 11. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit/(loss) on ordinary activities before tax	<u>(27,447)</u>	<u>(1,111,887)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(5,215)	(211,259)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	361	11,019
Adjustment in respect of prior periods (deferred tax)	6,322	(63)
Deferred tax not recognised	19,498	67,690
Effects of change in tax rate	(23,002)	9,597
Fixed asset differences	1,752	(390)
<b>Total tax charge for the year</b>	<u><b>(284)</b></u>	<u><b>(123,406)</b></u>

#### Factors that may affect future tax charges

Increases in the UK Corporation tax rate from 19% to 25% (19% effective from 1 April 2017, and 25% effective from 1 April 2023) have been substantively enacted. This will impact the Company's future tax charge accordingly. The value of the deferred tax asset at the statement of financial position date has been calculated using the applicable rate when the asset/liability is expected to be realised.

## Southampton Cargo Handling Limited

### Notes to the Financial Statements For the Year Ended 31 December 2021

#### 12. Tangible fixed assets

##### Group

	Short-term leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>				
At 1 January 2021	265,678	1,650,326	913,351	2,829,355
Additions	27,223	42,387	88,460	158,070
Disposals	(167,527)	(176,859)	(408,465)	(752,851)
At 31 December 2021	125,374	1,515,852	584,597	2,225,823
<b>Depreciation</b>				
At 1 January 2021	170,943	1,238,597	813,690	2,223,230
Charge for the year	39,532	140,027	51,914	213,472
Disposals	(125,742)	(176,566)	(331,354)	(633,663)
At 31 December 2021	84,733	1,202,053	525,498	1,812,283
<b>Net book value</b>				
At 31 December 2021	<u>40,641</u>	<u>313,799</u>	<u>59,100</u>	<u>413,539</u>
At 31 December 2020	<u>94,735</u>	<u>411,729</u>	<u>99,661</u>	<u>606,125</u>

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

	2021 £	2020 £
Plant and machinery	<u>152,068</u>	<u>228,949</u>

# Southampton Cargo Handling Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 12. Tangible fixed assets (continued)

#### Company

	Short-term leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>				
At 1 January 2021	262,928	1,532,113	507,148	2,302,189
Disposals	(162,664)	(565,501)	(377,790)	(1,105,955)
At 31 December 2021	<u>100,264</u>	<u>966,612</u>	<u>129,358</u>	<u>1,196,234</u>
<b>Depreciation</b>				
At 1 January 2021	169,614	1,127,705	418,180	1,715,499
Disposals	(98,767)	(447,071)	(336,872)	(882,710)
At 31 December 2021	<u>70,847</u>	<u>680,634</u>	<u>81,308</u>	<u>832,789</u>
<b>Net book value</b>				
At 31 December 2021	<u>29,417</u>	<u>285,978</u>	<u>48,050</u>	<u>363,445</u>
At 31 December 2020	<u>93,314</u>	<u>404,408</u>	<u>88,968</u>	<u>586,690</u>

### 13. Fixed asset investments

#### Company

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2021	200
At 31 December 2021	<u>200</u>

## Southampton Cargo Handling Limited

### Notes to the Financial Statements For the Year Ended 31 December 2021

#### 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 2021 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.

#### 14. Stocks

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Raw materials and consumables	<u>121,838</u>	<u>87,762</u>	<u>113,783</u>	<u>87,762</u>

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

#### 15. Debtors: amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	1,671,311	2,287,083	1,457,788	2,287,083
Amounts owed by group undertakings	-	164,576	-	321,717
Other debtors	118,264	179,128	118,264	176,224
Prepayments and accrued income	1,852,257	400,502	1,380,687	400,502
Tax recoverable	94,014	41,774	88,438	-
Deferred taxation	-	4,256	-	-
	<u>3,735,847</u>	<u>3,077,319</u>	<u>3,045,177</u>	<u>3,185,526</u>

# Southampton Cargo Handling Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 16. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	272,088	52,001	182,707	11,288
Less: bank overdrafts	-	(267,237)	-	(267,237)
	<u>272,088</u>	<u>(215,236)</u>	<u>182,707</u>	<u>(255,949)</u>

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank overdrafts	-	267,237	-	267,237
Invoice financing liability	486,454	447,871	486,454	447,871
Trade creditors	1,475,022	740,258	624,689	740,258
Amounts owed to group undertakings	202,775	-	1,924,780	910,082
Other taxation and social security	-	362,691	-	343,253
Obligations under finance lease and hire purchase contracts	30,683	65,285	30,683	65,285
Other creditors	42,539	216,338	23,666	53,226
Accruals and deferred income	1,368,987	724,089	508,892	724,089
	<u>3,606,460</u>	<u>2,823,769</u>	<u>3,599,164</u>	<u>3,551,301</u>

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Net obligations under finance leases and hire purchase contracts	<u>15,939</u>	46,622	<u>15,939</u>	46,622

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 2021

#### 19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Within one year	31,146	65,285	31,146	65,285
Between 1-5 years	15,486	46,622	15,486	46,622
	<u>46,632</u>	<u>111,907</u>	<u>46,632</u>	<u>111,907</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.

#### 20. Deferred taxation

##### Group

	2021 £
At beginning of year	-
Charged to the profit or loss	(284)
<b>At end of year</b>	<u><b>(284)</b></u>

The deferred tax asset is made up as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Accelerated capital allowances	47,733	74,818	(47,498)	74,818
Short term timing differences	(2,915)	(2,479)	(2,396)	(2,479)
Other timing differences	-	(4,256)	-	-
Losses and other deductions	(45,102)	(72,339)	(45,102)	(72,339)
	<u>(284)</u>	<u>(4,256)</u>	<u>-</u>	<u>-</u>



# Southampton Cargo Handling Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 21. Share capital

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
426,002- ordinary shares of £1 each	<u>426,002</u>	<u>426,002</u>

### 22. 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.

### 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 £135,364 (2020 - £165,538). Contributions totalling £20,418 (2020 - £26,058) 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 £411,227 (2020 - £512,937).

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 2021

#### 24. Related party transactions (continued)

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
<b>Transactions during the year</b>				
Transactions to fellow group undertakings under common control	-	-	-	-
Transactions to companies under common control outside of the group	34,096	28,504	34,096	28,504
Transactions from fellow group undertakings under common control	-	-	-	-
Transactions from companies under common control outside of the group	<u>23,320</u>	<u>46,318</u>	<u>23,320</u>	<u>46,318</u>
	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
<b>Balances</b>				
Balances owed by fellow group undertakings under common control	202,774	344,364	1,924,780	344,364
Balances owed companies under common control outside of the group	10,037	5,975	10,037	5,975
Balances owed to fellow group undertakings under common control	-	(179,787)	-	(94,647)
Balances owed to companies under common control outside of the group	<u>(2,369)</u>	<u>(4,200)</u>	<u>(2,369)</u>	<u>(4,200)</u>

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 £7,184 (2020 - £9,676), the maximum amount outstanding during the year was £7,184 (2020 - £37,177). 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 2021

### 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 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Not later than 1 year	735,022	723,700	735,022	732,700
Later than 1 year and not later than 5 years	1,068,205	1,669,286	1,068,205	1,669,286
Later than 5 years	-	112,112	-	112,112
	<u>1,803,227</u>	<u>2,505,098</u>	<u>1,803,227</u>	<u>2,514,098</u>

### 26. 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.