

Independent Port Handling Limited

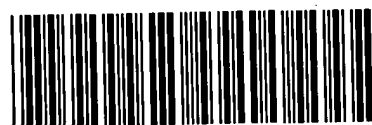
Annual Report and Financial Statements

Year Ended

31 December 2019

Company Number 06406763

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Independent Port Handling Limited

Company Information

Directors	S W Burgess H L F Williams
Registered number	06406763
Registered office	Pilgrim House Canute Road Southampton SO14 3FJ
Independent auditor	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL

Independent Port Handling Limited

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Independent Port 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 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.

The principal activity of the Company continued to be that of a holding company. The principal activities of the Group have not changed.

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 £237k to a loss of £56k, 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 £420k (2018: £536k) an 22% 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.

Independent Port 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 group has obtained funding in the form of a £1.5m Coronavirus Business Interruption Loan and confirmation of 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.

Independent Port 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 Loss before tax (LBT). Details of these for the period under review for the group are as follows:

	Group 2019 £	Group 2018 £
Turnover	22,734,053	23,194,116
(Loss)/profit before tax	(115,709)	192,755

This report was approved by the board on

22/12/2020

and signed on its behalf.


H L F Williams
Director

Independent Port 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 and minority interests, amounted to £115,709 (2018 - profit £286,138).

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 J Rawles (resigned 12 February 2019)

J D Simm (appointed 1 June 2018, resigned 1 October 2019)

H L F Williams (appointed 12 February 2019)

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.

Independent Port 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.

Employee 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.

Post year end the group drew an additional £1.5m CBILS bank loan.

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.

This report was approved by the board on

22/12/2020

and signed on its behalf.



H L F Williams
Director

Independent Port Handling Limited

Independent Auditor's Report to the Members of Independent Port Handling Limited

Opinion

We have audited the financial statements of Independent Port 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, Consolidated Analysis of Net 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 statement:

- 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.

Independent Port Handling Limited

Independent Auditor's Report to the Members of Independent Port 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.

Independent Port Handling Limited

Independent Auditor's Report to the Members of Independent Port 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.

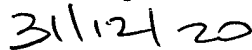
A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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



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

Independent Port 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	23,194,116	710,603	23,904,719
Cost of sales		(21,324,244)	-	(21,324,244)	(21,506,181)	(917,652)	(22,423,833)
Gross profit		1,409,809	-	1,409,809	1,687,935	(207,049)	1,480,886
Administrative expenses		(1,466,408)	-	(1,466,408)	(1,451,150)	(286,956)	(1,738,106)
Operating loss	5	(56,599)	-	(56,599)	236,785	(494,005)	(257,220)
Interest payable and expenses	9	(59,110)	-	(59,110)	(44,030)	-	(44,030)
Loss before taxation		(115,709)	-	(115,709)	192,755	(494,005)	(301,250)
Tax on loss	10	14,605	-	14,605	(11,320)	26,432	15,112
Loss for the financial year		(101,104)	-	(101,104)	181,435	(467,573)	(286,138)
(Loss) for the year attributable to:							
Non-controlling interests		(7,424)	-	(7,424)	(34,256)	-	(34,256)
Owners of the parent Company		(93,680)	-	(93,680)	(251,882)	-	(251,882)
		(101,104)	-	(101,104)	(286,138)	-	(286,138)

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 37 form part of these financial statements.

Independent Port Handling Limited
Registered number: 06406763

Consolidated Statement of Financial Position
As at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	11	126,228	150,372
Tangible assets	12	2,132,576	1,674,880
		<u>2,258,804</u>	<u>1,825,252</u>
Current assets			
Stocks	14	148,346	157,581
Debtors: amounts falling due within one year	15	3,023,642	3,959,476
Bank and cash balances		404,504	129,031
		<u>3,576,492</u>	<u>4,246,088</u>
Creditors: amounts falling due within one year	16	(4,367,283)	(5,135,006)
Net current liabilities		<u>(790,791)</u>	<u>(888,918)</u>
Total assets less current liabilities		<u>1,468,013</u>	<u>936,334</u>
Creditors: amounts falling due after more than one year	17	(957,449)	(328,684)
Provisions for liabilities			
Deferred taxation	21	(76,110)	(72,092)
Net assets		<u><u>434,454</u></u>	<u><u>535,558</u></u>
Capital and reserves			
Called up share capital	22	52,331	52,331
Profit and loss account	23	115,478	209,158
Equity attributable to owners of the parent Company		<u>167,809</u>	<u>261,489</u>
Non-controlling interests		266,645	274,069
		<u><u>434,454</u></u>	<u><u>535,558</u></u>

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

22/12/2020

H L F Williams
Director



S W Burgess
Director



The notes on pages 16 to 37 form part of these financial statements.

Independent Port Handling Limited
Registered number: 06406763

Company Statement of Financial Position
As at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	1,227,311	685,349
Investments	13	1,852,118	1,852,118
		<u>3,079,429</u>	<u>2,537,467</u>
Current assets			
Bank and cash balances		5,350	344
		<u>5,350</u>	<u>344</u>
Creditors: amounts falling due within one year	16	(2,183,707)	(2,274,303)
Net current liabilities		<u>(2,178,357)</u>	<u>(2,273,959)</u>
Total assets less current liabilities		<u>901,072</u>	<u>263,508</u>
Creditors: amounts falling due after more than one year	17	(863,080)	(203,310)
Net assets		<u><u>37,992</u></u>	<u><u>60,198</u></u>
Capital and reserves			
Called up share capital	22	52,331	52,331
Profit and loss account	23	(14,339)	7,867
		<u><u>37,992</u></u>	<u><u>60,198</u></u>

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

22/12/2020

H L F Williams
Director



S W Burgess
Director



The notes on pages 16 to 37 form part of these financial statements.

Independent Port Handling Limited

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

	Called up share capital £	Profit and loss account £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 January 2018	52,331	461,040	513,371	308,325	821,696
Comprehensive loss for the year (Loss) for the year and total comprehensive loss for the year	-	(251,882)	(251,882)	(34,256)	(286,138)
At 1 January 2019	52,331	209,158	261,489	274,069	535,558
Comprehensive loss for the year (Loss) for the year and total comprehensive loss for the year	-	(93,680)	(93,680)	(7,424)	(101,104)
At 31 December 2019	52,331	115,478	167,809	266,645	434,454

The notes on pages 16 to 37 form part of these financial statements.

Independent Port Handling Limited

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

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2018	52,331	14,506	66,837
Comprehensive loss for the year			
(Loss) for the year and total comprehensive loss for the year	-	(6,639)	(6,639)
At 1 January 2019	52,331	7,867	60,198
Comprehensive loss for the year			
(Loss) for the year and total comprehensive loss for the year	-	(22,206)	(22,206)
At 31 December 2019	52,331	(14,339)	37,992

The notes on pages 16 to 37 form part of these financial statements.

Independent Port 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	(101,104)	(286,138)
Adjustments for:		
Amortisation of intangible assets	24,144	24,143
Depreciation of tangible assets	221,507	326,922
Interest paid	59,110	44,030
Taxation charge	(14,605)	(15,112)
Decrease in stocks	9,235	82,377
Decrease in debtors	954,457	1,306,671
(Decrease) in creditors	(583,753)	(1,000,699)
Corporation tax (paid)	(14,281)	(80,674)
Net cash generated from operating activities	554,710	401,520
Cash flows from investing activities		
Purchase of tangible fixed assets	(794,697)	(861,060)
Sale of tangible fixed assets	115,492	29,338
HP interest paid	(9,989)	(9,984)
Net cash (used in) investing activities	(689,194)	(841,706)
Cash flows from financing activities		
New secured loans	700,000	-
Repayment of loans	(28,074)	(171,071)
Repayment of/new finance leases	(16,858)	(24,893)
Interest paid	(49,121)	(34,046)
Net cash from/(used in) financing activities	605,947	(230,010)
Net increase/(decrease) in cash and cash equivalents	471,463	(670,196)
Cash and cash equivalents at beginning of year	(773,337)	(103,141)
Cash and cash equivalents at the end of year	(301,874)	(773,337)
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	404,504	129,031
Bank overdrafts	(706,378)	(902,368)
	(301,874)	(773,337)

The notes on pages 16 to 37 form part of these financial statements.

Independent Port 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	129,031	275,473	-	404,504
Bank overdrafts	(902,368)	-	195,990	(706,378)
Debt due after 1 year	(203,310)	-	-	(203,310)
Debt due within 1 year	(28,074)	-	(671,926)	(700,000)
Finance leases	(205,459)	-	16,858	(188,601)
	<u>(1,210,180)</u>	<u>275,473</u>	<u>(459,078)</u>	<u>(1,393,785)</u>

The notes on pages 16 to 37 form part of these financial statements.

Independent Port Handling Limited

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

1. General information

Independent Port 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 group has obtained funding in the form of a £1.5m Coronavirus Business Interruption Loan and confirmation of 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.

Independent Port 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 Parent company exemptions

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the Parent Company;
- No statement of comprehensive income has been presented for the Parent Company; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Group as a whole.

2.5 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.

Independent Port Handling Limited

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

2. Accounting policies (continued)

2.6 Intangible fixed assets - goodwill

Goodwill arising on the acquisition of subsidiary undertakings represents the excess of the fair value of the consideration over the fair value of the identifiable assets and liabilities acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life. Goodwill on the acquisition of a business in 2008 is being amortised over its estimated useful life of twenty years and goodwill on the acquisition of two new subsidiaries in 2013 is being amortised over its estimated useful life of five years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

2.7 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.

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.

The estimated useful lives range as follows:

Freehold property (excluding land)	- Straight line over 50 years
Short-term leasehold property	- Straight line over 5 and 10 years
Plant and machinery	- 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.

Independent Port Handling Limited

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

2. Accounting policies (continued)

2.8 Impairment of fixed assets

At each reporting period end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

2.9 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.

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.11 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, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit and loss. Reversals of impairment losses are recognised in profit and loss.

Independent Port Handling Limited

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

2. Accounting policies (continued)

2.12 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.

2.13 Financial instruments

The Group only enters into basic financial instruments 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 and loans to related parties.

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.

2.14 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.

Independent Port Handling Limited

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

2. Accounting policies (continued)

2.15 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.

2.16 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.

2.17 Borrowing costs

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

2.18 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 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.

Independent Port Handling Limited

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

2. Accounting policies (continued)

2.19 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.

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.

2.20 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.

Independent Port Handling Limited

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

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 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 13)**
Tangible fixed assets, other than investment 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 a 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.

4. Turnover

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

	2019 £	2018 £
Stevedoring, terminal handling and related services	22,734,053	23,904,719

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	22,734,053	23,904,719

5. Operating loss

The operating loss is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	280,389	268,038
Other operating lease rentals	770,179	702,907
Amortisation of intangible assets, including goodwill	24,143	24,143
Defined contribution pension cost	203,588	168,235

Independent Port Handling Limited

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

6. Auditor's remuneration

Fees payable to the Company's auditor in respect of:

	2019 £	2018 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	10,750	15,500
Audit of the company's subsidiaries	19,500	7,200
	<u>30,250</u>	<u>22,700</u>

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

Taxation compliance services	8,160	7,350
All other non-audit services	7,520	7,300
	<u>15,680</u>	<u>14,650</u>

7. Employees

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

	Group 2019 £	Group 2018 £
Wages and salaries	8,439,226	8,930,480
Social security costs	477,908	669,644
Cost of defined contribution scheme	203,230	167,234
	<u>9,120,364</u>	<u>9,767,358</u>

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

	2019 No.	2018 No.
Operational employees and directors	<u>542</u>	<u>587</u>

The company has no employees of its own.

Independent Port Handling Limited

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

8. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	197,026	178,332
Company contributions to defined contribution pension schemes	17,086	16,100
	<u>214,112</u>	<u>194,432</u>

During the year retirement benefits were accruing to 3 directors (2018 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £79,735 (2018 - £82,862).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5,290 (2018 - £9,100).

9. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	-	176
Other loan interest payable	49,121	33,870
Finance leases and hire purchase contracts	9,989	9,984
	<u>59,110</u>	<u>44,030</u>

Independent Port Handling Limited

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

10. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on loss for the year	-	14,171
Adjustments in respect of previous periods	(18,623)	(8,827)
	<u>(18,623)</u>	<u>5,344</u>
Total current tax	<u><u>(18,623)</u></u>	<u><u>5,344</u></u>
Deferred tax		
Origination and reversal of timing differences	(9,581)	(23,949)
Adjustments in respect of prior periods	13,599	3,493
	<u>4,018</u>	<u>(20,456)</u>
Total deferred tax	<u><u>4,018</u></u>	<u><u>(20,456)</u></u>
Taxation on loss on ordinary activities	<u><u>(14,605)</u></u>	<u><u>(15,112)</u></u>

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	<u>(115,709)</u>	<u>(301,250)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(21,985)	(57,238)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,967	40,022
Adjustments in respect of prior periods (deferred tax)	13,599	3,493
Adjustments in respect of prior periods	(18,623)	(8,827)
Other movements	7,437	7,438
Total tax charge for the year	<u><u>(14,605)</u></u>	<u><u>(15,112)</u></u>

Independent Port Handling Limited

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

10. Taxation (continued)

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.

11. Intangible assets

Group and Company

	Goodwill £
Cost	
At 1 January 2019	174,515
At 31 December 2019	<u>174,515</u>
Amortisation	
At 1 January 2019	24,143
Charge for the year	24,144
At 31 December 2019	<u>48,287</u>
Net book value	
At 31 December 2019	<u>126,228</u>
At 31 December 2018	<u>150,372</u>

Independent Port Handling Limited

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

12. Tangible fixed assets

Group

	Freehold property £	Short-term leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost					
At 1 January 2019	685,349	385,404	1,786,397	876,104	3,733,254
Additions	547,918	49,007	105,148	85,097	787,170
Transfers intra group	-	-	(32,391)	-	(32,391)
Disposals	-	(124,608)	(141,247)	-	(265,855)
Transfers between classes	-	-	7,532	-	7,532
At 31 December 2019	1,233,267	309,803	1,725,439	961,201	4,229,710
Depreciation					
At 1 January 2019	-	223,645	1,098,009	736,720	2,058,374
Charge for the year on owned assets	6,152	39,493	185,474	49,271	280,390
Transfers intra group	-	-	(23,637)	-	(23,637)
Disposals	-	(53,148)	(105,962)	-	(159,110)
Impairment losses written back	-	(58,883)	-	-	(58,883)
At 31 December 2019	6,152	151,107	1,153,884	785,991	2,097,134
Net book value					
At 31 December 2019	1,227,115	158,696	571,555	175,210	2,132,576
At 31 December 2018	685,349	161,759	688,388	139,384	1,674,880

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

	2019 £	202018 £
Plant and machinery	297,330	343,707

Independent Port Handling Limited

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

12. Tangible fixed assets (continued)

Company

	Freehold property £
Cost or valuation	
At 1 January 2019	685,349
Additions	548,114
At 31 December 2019	<u>1,233,463</u>
Depreciation	
Charge for the year	6,152
At 31 December 2019	<u>6,152</u>
Net book value	
At 31 December 2019	<u><u>1,227,311</u></u>
At 31 December 2018	<u><u>685,349</u></u>

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

	2019 £	2018 £
Plant and machinery	199,707	343,707
	<u><u>199,707</u></u>	<u><u>343,707</u></u>

Independent Port Handling Limited

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

13. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 January 2019	1,852,118
At 31 December 2019	<u>1,852,118</u>

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
*Southern Maritime Services Limited	Stevedoring and general port related activity	Ordinary	100%
*Pathfinder Personnel Sheerness Limited	Port handling services	Ordinary	100%
Southampton Cargo Handling Limited	Stevedoring, terminal handling and related services	Ordinary	87%

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
*Cruise and Passenger Services Limited	Cargo handling for water transport companies	Ordinary	87%
*Pathfinder Personnel Limited	Port handling services	Ordinary	87%

* 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.

Independent Port Handling Limited

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

14. Stocks

	Group 2019 £	Group 2018 £
Raw materials and consumables	<u>148,346</u>	<u>157,581</u>

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

15. Debtors

	Group 2019 £	Group 2018 £
Trade debtors	2,569,735	3,043,087
Other debtors	192,930	176,110
Prepayments and accrued income	255,400	740,279
Tax recoverable	5,577	-
	<u>3,023,642</u>	<u>3,959,476</u>

16. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank overdrafts	706,378	902,368	-	-
Bank loans	40,230	28,074	40,230	28,074
Trade creditors	962,551	1,644,681	-	-
Amounts owed to group undertakings	-	-	1,357,730	1,897,730
Amounts owed to related undertakings	780,804	531,251	781,000	348,499
Corporation tax	-	14,281	-	-
Other taxation and social security	311,128	312,151	-	-
Obligations under finance leases	94,232	80,085	-	-
Other creditors	106,839	201,803	-	-
Accruals and deferred income	1,365,121	1,420,312	4,747	-
	<u>4,367,283</u>	<u>5,135,006</u>	<u>2,183,707</u>	<u>2,274,303</u>

Independent Port Handling Limited

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

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

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Debentures loans	203,310	203,310	203,310	203,310
Bank loans	659,770	-	659,770	-
Obligations under finance leases	94,369	125,374	-	-
	<u>957,449</u>	<u>328,684</u>	<u>863,080</u>	<u>203,310</u>

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.

18. Loans

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Amounts falling due within one year				
Bank loans	40,230	28,074	40,230	28,074
	<u>40,230</u>	<u>28,074</u>	<u>40,230</u>	<u>28,074</u>
Amounts falling due 1-2 years				
Bank loans	96,554	-	96,554	-
Amounts falling due 2-5 years				
Bank loans	563,216	-	563,216	-
Debenture loans	203,310	203,310	203,310	203,310
	<u>766,526</u>	<u>203,310</u>	<u>766,526</u>	<u>203,310</u>
	<u>903,310</u>	<u>231,384</u>	<u>903,310</u>	<u>231,384</u>

The debenture loans relate to redeemable, convertible unsecured loan notes issued under a deed dated 5 December 2008. £203,310 (2018: £203,310) of the loan notes are held by a director.

The bank loans shown in notes 16 to 18 are secured by a debenture over the assets of the Group.

Independent Port Handling Limited

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

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2019 £	Group 2018 £
Within one year	94,232	80,085
Between 1-5 years	94,369	125,374
	<u>188,601</u>	<u>205,459</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. Financial instruments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	<u>3,151,289</u>	<u>3,347,840</u>	<u>5,350</u>	<u>344</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(5,013,997)</u>	<u>(5,121,353)</u>	<u>(3,046,788)</u>	<u>(2,477,614)</u>

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

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals, debentures, bank loans and bank overdrafts.

Independent Port Handling Limited

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

21. Deferred taxation

Group

	2019 £	2018 £
At beginning of year	(72,092)	(92,548)
Charged to profit or loss	(4,018)	20,456
At end of year	(76,110)	(72,092)

The provision for deferred taxation is made up as follows:

	Group 2019 £	Group 2018 £
Accelerated capital allowances	86,668	76,234
Short term timing differences	(4,081)	(4,142)
Losses and other deductions	(6,477)	-

22. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
52,331 (2018 - 52,331) Ordinary shares of £1 each	52,331	52,331

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

23. Reserves

Called up share capital

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

Profit and loss account

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

Independent Port Handling Limited

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

24. Capital commitments

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

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

25. 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 - £167,234). Contributions totalling £35,329 (2018 - £27,131) were payable to the fund at the reporting date.

26. Commitments under operating leases

At 31 December 2019 the Group had future minimum lease payments under non-cancellable operating leases as follows:

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

Independent Port Handling Limited

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

27. Related party transactions

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.

Southampton Cargo Handling Limited is not a wholly owned subsidiary of Independent Port Handling Limited. Accordingly we must therefore disclose within this note any transactions to this company and its subsidiaries.

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

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

	Group 2019 £	Group 2018 £		
Transactions to fellow group undertakings under common control	-	-		
Transactions to companies under common control outside of the group	23,962	29,067		
Transactions from fellow group undertakings under common control	-	134,064		
Transactions from companies under common control outside of the group	75,319	104,935		
	<u>99,281</u>	<u>268,066</u>		
	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Balances as at the year end				
Balances owed by fellow group undertakings under common control	311,837	375,416	-	-
Balances owed by companies under common control outside the group	5,876	5,613	-	-
Balances owed to fellow group undertakings under common control	(1,557,370)	(2,230,730)	(1,272,292)	(1,897,730)
Balances owed to companies under common control outside of the group	(790,807)	(538,682)	(781,000)	(348,500)

The group 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 interest. The amounts are repayable on demand and included in debtors.

Independent Port Handling Limited

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28. 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.

Post year end the group drew an additional £1.5m CBILS bank loan.

29. Controlling party

The Company is ultimately controlled by Mr S W Burgess, a director, by virtue of his majority shareholding.