

Redcliffe International (Shipping) Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020

Azets Audit Services Limited
Statutory Auditor
Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ



Redcliffe International (Shipping) Limited

Contents

Company Information	1
Directors' Report	2 to 3
Independent Auditor's Report	4 to 6
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 to 21

Redcliffe International (Shipping) Limited

Company Information

Chairman	MM Kendall
Directors	MC Bishop MR Slusarenko D Shaw F France
Company secretary	MC Bishop
Registered office	7 Albert Court Prince Consort Road London SW7 2BJ
Auditors	Azets Audit Services Limited Statutory Auditor Ashcombe Court Woolsack Way Godalming Surrey GU7 1LQ

Redcliffe International (Shipping) Limited

Directors' Report for the Year Ended 31 December 2020

The Directors present their report and the financial statements for the year ended 31 December 2020.

Principal activity

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

Directors of the Company

The Directors shown below have held office during the period from 1 January 2020 to the date of this report.

MM Kendall - Chairman

MC Bishop

MR Slusarenko

D Shaw

F France

NR Stead (resigned 23 December 2020)

Directors' liabilities

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

Statement of Directors' responsibilities

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

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

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

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

Redcliffe International (Shipping) Limited

Directors' Report for the Year Ended 31 December 2020 (continued)

Disclosure of information to the auditors

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

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

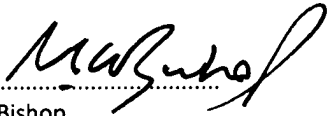
As far as each of the Directors who held office at 21 May 2021 are aware:

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

Small companies provision statement

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

Approved by the Board of Directors on 21 May 2021 and signed on its behalf by:



MC Bishop
Company secretary

Redcliffe International (Shipping) Limited

Independent Auditor's Report

Opinion

We have audited the financial statements of Redcliffe International (Shipping) Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

Other information

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

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

We have nothing to report in this regard.

Redcliffe International (Shipping) Limited

Independent Auditor's Report (continued)

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 company and industry, we identified that the principal risk of non-compliance with laws and regulations related to health and safety and employee matters, export laws and regulations recognising the nature of the company's activities, as well as certain aspects of relevant applicable legislation in countries where the company operates. We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on those that had a direct effect on material figures and disclosures in the financial statements, the main regulations considered in this context included the UK Companies Act 2006, and tax legislation.

Redcliffe International (Shipping) Limited

Independent Auditor's Report (continued)

We evaluated the incentives and opportunities for fraud in the financial statements, including, but not limited to, the risk of override of controls, and designed procedures in response to these risks as follows:

- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- testing the appropriateness of journal entries and other adjustments;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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.

There are inherent limitations in the audit procedures described above, and the risk of not detecting a material misstatement due to fraud is higher than one resulting from error as fraudulent misstatements may involve deliberate concealment.

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

Azets Audit Services Limited

Jonathan Vickery BA FCA (Senior Statutory Auditor)

For and on behalf of Azets Audit Services Limited, Statutory Auditor

Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

21 May 2021

Redcliffe International (Shipping) Limited

Statement of Comprehensive Income for the Year Ended 31 December 2020

	Note	2020 £	2019 £
Turnover	2	7,754,531	8,481,454
Cost of sales		<u>(4,749,544)</u>	<u>(5,302,705)</u>
Gross profit		3,004,987	3,178,749
Administrative expenses		(2,752,628)	(3,094,182)
Other operating income	3	<u>809,216</u>	<u>1,006,010</u>
Operating profit	6	1,061,575	1,090,577
Interest payable and similar expenses	7	<u>(1,157)</u>	<u>(3,177)</u>
Profit before taxation		1,060,418	1,087,400
Tax on profit	8	<u>(211,468)</u>	<u>(217,365)</u>
Profit for the financial year		848,950	870,035
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>848,950</u></u>	<u><u>870,035</u></u>

The notes on pages 10 to 21 form an integral part of these financial statements.

Redcliffe International (Shipping) Limited

(Registration number: 02674289)

Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	10	259	604
Tangible assets	11	<u>1,253,875</u>	<u>1,249,999</u>
		<u>1,254,134</u>	<u>1,250,603</u>
Current assets			
Stocks	12	44,085	53,451
Debtors	13	1,737,606	1,902,385
Cash at bank and in hand		<u>3,122,765</u>	<u>2,583,532</u>
		4,904,456	4,539,368
Creditors: Amounts falling due within one year	14	<u>(2,424,762)</u>	<u>(2,891,644)</u>
Net current assets		<u>2,479,694</u>	<u>1,647,724</u>
Total assets less current liabilities		3,733,828	2,898,327
Creditors: Amounts falling due after more than one year	14	(1,825)	(3,636)
Provisions for liabilities	17	<u>(88,400)</u>	<u>(100,038)</u>
Net assets		<u><u>3,643,603</u></u>	<u><u>2,794,653</u></u>
Capital and reserves			
Called up share capital	18	50,000	50,000
Profit and loss account	19	<u>3,593,603</u>	<u>2,744,653</u>
Shareholders' funds		<u><u>3,643,603</u></u>	<u><u>2,794,653</u></u>

The financial statements were approved by the Board of Directors on 21 May 2021 and signed on its behalf by:



MM Kendall

Chairman

Redcliffe International (Shipping) Limited

Statement of Changes in Equity for the Year Ended 31 December 2020

	Share capital £	Profit and loss account £	Total £
At 1 January 2019	50,000	2,274,618	2,324,618
Changes in equity			
Total comprehensive income	-	870,035	870,035
Dividends	-	(400,000)	(400,000)
At 31 December 2019	50,000	2,744,653	2,794,653
Changes in equity			
Total comprehensive income	-	848,950	848,950
At 31 December 2020	<u>50,000</u>	<u>3,593,603</u>	<u>3,643,603</u>

The notes on pages 10 to 21 form an integral part of these financial statements.

Redcliffe International (Shipping) Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

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

Basis of preparation

The financial statements of Redcliffe International (Shipping) Limited were approved for issue by the Board of Directors on 21 May 2021. The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with applicable accounting standards.

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

Summary of disclosure exemptions

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

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

Going concern

The financial statements have been prepared on a going concern basis. The Directors have paid particular attention to the likely effects on the business of the current Covid-19 outbreak and they remain confident that sufficient funding is in place and that the Company has adequate resources to enable the Company to continue as a going concern for the foreseeable future.

Revenue recognition

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

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

Redcliffe International (Shipping) Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

1 Accounting policies (continued)

Foreign currency transactions and balances

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

Taxation

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

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

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

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

Tangible fixed assets

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

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

Cash and cash equivalents

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

Stocks

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

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

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

Redcliffe International (Shipping) Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

1 Accounting policies (continued)

Borrowings

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

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

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

Leases

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

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

Defined contribution pension obligation

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

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

Critical accounting judgements and key sources of estimation uncertainty

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

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

Trade debtors

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

Redcliffe International (Shipping) Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Turnover

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

	2020 £	2019 £
Turnover by activity		
Rendering of services	7,663,571	8,309,732
Sale of goods	90,931	169,844
Interest received	29	1,878
	<u>7,754,531</u>	<u>8,481,454</u>

	2020 £	2019 £
Turnover by geographical market		
United Kingdom	2,874,329	3,801,433
Middle East	1,052,035	856,731
United States	128,876	507,050
Asia	3,429,224	3,021,429
Europe	270,067	286,843
Rest of the World	-	7,968
	<u>7,754,531</u>	<u>8,481,454</u>

3 Other operating income

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

4 Staff costs

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

	2020 Number	2019 Number
International freight forwarders	<u>39</u>	<u>37</u>

Redcliffe International (Shipping) Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

4 Staff costs (continued)

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

	2020	2019
	£	£
Wages and salaries	1,566,187	1,558,714
Social security costs	164,916	155,850
Other pension costs	234,043	224,449
	<u>1,965,146</u>	<u>1,939,013</u>

5 Directors' remuneration

The Directors' remuneration for the year was as follows:

	2020	2019
	£	£
Remuneration	403,571	379,086
Contributions paid to money purchase schemes	230,848	229,954
	<u>634,419</u>	<u>609,040</u>

The remuneration of the highest paid Director was as follows:

	2020	2019
	£	£
Salary and taxable benefits	89,487	78,696
Pension contributions to money purchase schemes	156,120	123,293
	<u>245,607</u>	<u>201,989</u>

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

Redcliffe International (Shipping) Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

6 Operating profit

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

	2020	2019
	£	£
Depreciation - owned assets	179,154	195,986
Depreciation - assets on hire purchase contracts	71,338	97,695
Amortisation expense	345	345
Operating lease expense - plant and machinery	29,123	26,922
Operating lease expense - property	67,402	36,453
Profit on disposal of property, plant and equipment	(29,975)	(9,240)
Auditors' remuneration - audit	10,250	10,250
Foreign exchange losses	<u>50,533</u>	<u>33,762</u>

7 Interest payable and similar expenses

	2020	2019
	£	£
Interest on obligations under finance leases and hire purchase contracts	987	2,984
Other interest paid	<u>170</u>	<u>193</u>
	<u>1,157</u>	<u>3,177</u>

8 Taxation

	2020	2019
	£	£
Current taxation		
UK corporation tax at 19% (2019 - 19%)	154,933	218,406
UK corporation tax adjustment to prior periods	<u>5,631</u>	<u>(42)</u>
	160,564	218,364
Foreign tax	<u>841</u>	<u>2,272</u>
Total current income tax	161,405	220,636
Deferred taxation		
Arising from origination and reversal of timing differences	<u>50,063</u>	<u>(3,271)</u>
Tax expense in the income statement	<u>211,468</u>	<u>217,365</u>

During the year beginning 1 January 2021, the net reversal of deferred tax assets and liabilities is expected to decrease the corporation tax charge for the year by £36,644.

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

Redcliffe International (Shipping) Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

8 Taxation (continued)

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

	2020 £	2019 £
Profit before taxation	<u>1,060,418</u>	<u>1,087,400</u>
Tax on profit at standard UK corporation tax rate of 19% (2019 - 19%)	201,479	206,606
Effects of:		
Expenses not deductible for tax purposes	4,358	10,801
Adjustments in respect of previous periods	5,631	(42)
	<u>211,468</u>	<u>217,365</u>

9 Dividends

	2020 £	2019 £
Dividend paid of £Nil (2019- £8) on £1 ordinary shares	<u>-</u>	<u>400,000</u>

10 Intangible assets

	Computer software £
Cost or valuation	
At 1 January 2020 and At 31 December 2020	<u>1,035</u>
Amortisation	
At 1 January 2020	431
Amortisation charge	<u>345</u>
At 31 December 2020	<u>776</u>
Carrying amount	
At 31 December 2020	<u>259</u>
At 31 December 2019	<u>604</u>

Redcliffe International (Shipping) Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

11 Tangible assets

	Freehold land and buildings £	Long leasehold land and buildings £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation					
At 1 January 2020	694,543	115,526	1,051,275	491,424	2,352,768
Additions	-	10,602	215,529	78,237	304,368
Disposals	-	-	(328,687)	(27,214)	(355,901)
At 31 December 2020	<u>694,543</u>	<u>126,128</u>	<u>938,117</u>	<u>542,447</u>	<u>2,301,235</u>
Depreciation					
At 1 January 2020	155,759	101,233	671,730	174,047	1,102,769
Charge for the year	19,798	6,930	150,516	73,248	250,492
Eliminated on disposal	-	-	(278,687)	(27,214)	(305,901)
At 31 December 2020	<u>175,557</u>	<u>108,163</u>	<u>543,559</u>	<u>220,081</u>	<u>1,047,360</u>
Carrying amount					
At 31 December 2020	<u>518,986</u>	<u>17,965</u>	<u>394,558</u>	<u>322,366</u>	<u>1,253,875</u>
At 31 December 2019	<u>538,784</u>	<u>14,293</u>	<u>379,545</u>	<u>317,377</u>	<u>1,249,999</u>

Assets held under finance leases and hire purchase contracts

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

	2020 £	2019 £
Motor vehicles	<u>149,327</u>	<u>265,484</u>

12 Stocks

	2020 £	2019 £
Raw materials and consumables	<u>44,085</u>	<u>53,451</u>

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

Redcliffe International (Shipping) Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

13 Debtors

	2020 £	2019 £
Trade debtors	1,496,661	1,507,329
Amounts owed by group undertakings	131,478	310,820
Prepayments and accrued income	<u>109,467</u>	<u>84,236</u>
	<u>1,737,606</u>	<u>1,902,385</u>

14 Creditors

	Note	2020 £	2019 £
Due within one year			
Hire purchase contracts	16	6,620	20,518
Trade creditors		586,281	591,739
Amounts owed to group undertakings		1,029,661	1,467,283
Corporation tax	8	154,933	119,406
Other taxes and social security		115,838	136,252
Accruals and deferred income		526,893	525,854
Outstanding defined contribution pension costs		<u>4,536</u>	<u>30,592</u>
		<u>2,424,762</u>	<u>2,891,644</u>
Due after one year			
Hire purchase contracts	16	<u>1,825</u>	<u>3,636</u>

15 Loans and borrowings

	2020 £	2019 £
Non-current loans and borrowings		
Hire purchase contracts	<u>1,825</u>	<u>3,636</u>
	2020 £	2019 £
Amounts falling due within one year or on demand:		
Hire purchase contracts	<u>6,620</u>	<u>20,518</u>

Redcliffe International (Shipping) Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

16 Obligations under leases and hire purchase contracts

Finance leases

The total of future minimum lease payments is as follows:

	2020 £	2019 £
Within one year	6,620	20,518
Between one and five years	<u>1,825</u>	<u>3,636</u>
	<u>8,445</u>	<u>24,154</u>

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

Operating leases

At 31 December 2020 the Company had total future minimum rentals payable under non-cancellable operating leases as follows:

	2020 £	2019 £
Buildings:		
Less than one year	86,128	60,453
Between one and five years	243,021	211,813
Over five years	<u>135,000</u>	<u>163,033</u>
	<u>464,149</u>	<u>435,299</u>

17 Provisions for liabilities

	Onerous contract £	Deferred tax £	Total £
At 1 January 2020	61,701	38,337	100,038
Debited to profit and loss account	-	50,063	50,063
Unused provision reversed	<u>(61,701)</u>	<u>-</u>	<u>(61,701)</u>
At 31 December 2020	<u>-</u>	<u>88,400</u>	<u>88,400</u>

	2020 £	2019 £
Deferred tax		
Accelerated capital allowances	83,630	54,302
Other timing differences	<u>4,770</u>	<u>(15,965)</u>
	<u>88,400</u>	<u>38,337</u>

Redcliffe International (Shipping) Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

17 Provisions for liabilities (continued)

Onerous contract

The Company entered into a legal obligation to supply certain goods to a prospective customer, incurring costs in anticipation of the contract. The Company, through events beyond its control, was unable to fulfil the contract. During 2020, the Company was able to negotiate a new contract with the customer to replace the original.

18 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	Number	£	Number	£
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

19 Profit and loss account

	£
At 1 January 2020	2,744,653
Profit for the year	<u>848,950</u>
At 31 December 2020	<u>3,593,603</u>

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

20 Financial instruments

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

Financial assets

	2020 £	2019 £
Measured at undiscounted amount receivable		
Trade and other debtors	<u>1,628,139</u>	<u>1,818,149</u>

Financial liabilities

	Note	2020 £	2019 £
Measured at amortised cost			
Finance leases and hire purchase contracts	15	8,445	24,154
Measured at undiscounted amount payable			
Trade and other creditors		<u>2,263,209</u>	<u>2,751,720</u>
		<u>2,271,654</u>	<u>2,775,874</u>

The Company's interest expense for financial liabilities at amortised cost was £987 (2019 - £2,984).

Redcliffe International (Shipping) Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

21 Pension commitments

The Group, of which the Company is a subsidiary undertaking, operates a defined contribution pension scheme. The assets of this scheme is held separately from those of the Group in independently administered funds. Contributions payable during the year to the funds by the Company amounted to £234,043 (2019 - £224,449). Contributions totalling £4,536 (2019 - £30,592) were payable to the scheme at the end of the year and are included in creditors.

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

	2020 Number	2019 Number
Money purchase schemes	1	2
Group pension scheme	<u>4</u>	<u>4</u>

22 Contingent liabilities

The Company has given a performance bond in favour of a customer amounting to US\$200,000 (2019 - US\$200,000). There were no liabilities in respect of this performance bond outstanding at the year end.

During the year, the Company has given performance bonds and advanced payment guarantees, in various currencies, in favour of two customers amounting to a sterling equivalent figure of £1,771,351 (2019 - £238,700) supported by a cash deposit of £1,984,333 (2019 - £238,700).

23 Parent and ultimate parent undertaking

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

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

Copies of the group financial statements can be obtained from:

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