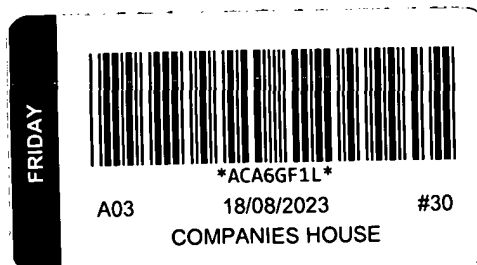


Company Registration No. 03931746 (England and Wales)

Solent Stevedores Limited

**Annual report and financial statements
for the year ended 31 December 2022**



Solent Stevedores Limited**Company information**

| | |
|----------------------------|--|
| Directors | Fiona Robson Stuart Cullen Zachary Mcelvenny Clive Thomas Jonathan Williams |
| Secretary | Fiona Robson |
| Company number | 03931746 |
| Registered office | Suite 1 Drake House Drake Lane Dursley Gloucestershire GL11 4HH |
| Independent auditor | Saffery Champness St Catherine's Court Berkeley Place Clifton Bristol BS8 1BQ |
| Bankers | HSBC UK Bank plc Ground Floor 3 Temple Quay Bristol BS1 6DZ |

Solent Stevedores Limited

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The directors present the strategic report for the year ended 31 December 2022.

Solent Stevedores is an award-winning stevedoring group providing a broad range of bulk, fresh produce and container handling with storage services at the Ports of Southampton, Immingham, London Gateway, St. Helier Jersey and St. Malo France. In addition, we provide Cruise Vessel Support services to the prestigious cruise operators at the Port of Southampton and Singapore.

The Board are pleased to report that during the year ended 31 December 2022, the company continued to deliver a high level of service to our customers across our operations.

Solent Stevedores operates the Western docks rail terminal, strategically placed adjacent to the bulks and fresh produce terminals at the Port of Southampton. The Board continues to have high expectations for the performance of the terminal over the coming years, offering a cost effective and alternative mode of transport for containerised cargo arriving at the Port of Southampton and enabling supply chains to achieve carbon emissions targets. The operation is adequately resourced with a highly skilled management team to deliver this growth. We are pleased to update that our container terminal expansion, which will fulfil our service offering to our customers is well underway and on schedule for full delivery in the latter part of 2023.

Solent Stevedores provides baggage handling, portering, provisioning, and mooring services to cruise ship calls in the Port of Southampton, making us the UK's number one stevedoring supplier to the Cruise Industry. We provide similar support at Marina Bay Cruise Centre and Singapore Cruise Centre.

The Cruise sector continues to flourish after overcoming a challenging three years and we delighted to handle over 400 turnaround calls in 2022; an operation that cannot be delivered without our resilient management team. We look forward to welcoming a new cruise customer to the Port in 2023.

Also operating from Southampton, the bulks terminal continued to contribute well to the overall operational output for 2022, exceeding the 1.1 million tonnes of cargo handled for year. This was a considerable achievement in the physical footprint available, only made possible through flexible operations, precise planning, and experienced execution.

At the heart of London Docklands, we continue to be a vital part of the production process for Tate & Lyle Sugars, operating the jetty discharge and raw sugar shed operation. In 2022, we handled over 500,000 tonnes of raw sugar and hope to continue working with Tate & Lyle for many years to come.

At the Port of Immingham on the Humber, our twin-chamber bulk warehouse has delivered over 200,000 tonnes of cementitious products forming an integral part of the construction industry's supply chain in the North East.

At DP World London Gateway, offering a range of container services including storage and repairs to the container shipping lines, we continued to build our customer base and relationship with the Port.

At our Channel Island operations, we continue to be an integral part of the lifeline services to Jersey participating in both Ro-Ro and Lo-Lo cargo movements and at St. Malo also have a bulks operation handling fertiliser product.

Solent Stevedores Limited

Strategic report (continued)

For the year ended 31 December 2022

We are a thriving company which takes great pride in the delivery of a quality service to our clients as well as continuously seeking to enhance the employment conditions for our workforce and their safety at the workplace. This is achieved by a dedicated management and compliance team and complemented by our ISO 9001 and ISO 14001 accreditations. During the year, we continued our focus on mental health awareness and employee well-being, an area which can often get overlooked in a male dominated industry and has been thoroughly well received. On behalf of the Board, I would like to take this opportunity to thank our excellent and motivated staff for their continued contribution and commitment to the business over the past twelve month.

Financial review

The company's financial performance is measured against monthly and annual budgets, along with a selection of operational key performance indicators to monitor productivity, efficiency, and safety by sector. The Board wish to report turnover of £40,362,864 for 2022 (2021: £37,623,058), an increase of 7.3% on the prior year.

The company reported a profit before tax of £4,545,792 (2021: £7,106,114), a decrease resulting from the unwinding of supply chain disruption in 2022 which generated fewer container storage opportunities however, offset by growth in cruise and bulk cargo earnings. The Board continue to actively monitor the overhead base and will seek to create efficiency savings where possible – overheads have increased by 15.0% on the prior year, which is a combination of the inflationary environment and also elements of discretionary expenditure.

The company continued to invest in its operations, most of which are capital intensive where heavy lifting is involved. We make every effort to replace capital equipment with more fuel-efficient engines as the industry's manufacturers develop new technology. The company has a highly skilled internal maintenance function utilising a selection of asset management systems to ensure the tangible assets remain efficient in use and achieve the useful economic life envisaged.

The number of employees increased in the year having expanded throughput across operations.

We are fully in line with workplace pensions' legislation and the company operates a defined contribution scheme for the benefit of its employees. Shareholders' funds as at balance sheet date were £11,274,540 (2021: £9,695,245) representing a 16.3% increase on the prior year.

Financial instruments

The company uses basic financial instruments in undertaking day to day transactions. This includes a closely monitored receivables ledger with strict credit terms. The company endeavours to pay its unsecured creditors within the terms stipulated and continues to use asset secured financing for the procurement of plant and machinery, in the form of finance leases where a select number of credit lines are in place to give scope for future growth.

Principal risks and uncertainties

Government and legislative changes: The Board remain vigilant to legislative changes including the effect of the living wage and environmental policies which impact on the cost model of certain operations. Most notably, the governments zero carbon pledge which will require fundamental changes in the method of operations and equipment involved. The potential effect of these are quantified as best possible and factored into forecasting and contractual negotiations. We are actively seeking to reduce our carbon footprint through the implementation of bio-fuels currently under review.

Impact from accidents, natural disasters, and terrorist incidents: The Board are conscious of the impact a major incident or accident resulting in injury to personnel could have to the group 's operations. Our investment in compliance increases annually, well above inflation and we work closely with the regulatory bodies such as the Environment Agency to ensure the working practices are appropriate and incident reporting procedures are sufficient.

Economy, Interest rates & Inflation: The macro-economic environment presented a stronger head wind to the company than prior years. Where possible, the Group enters into fixed term contracts permitting an annual review of pricing in line with indexation. We have managed our costs in line with this, to preserve margins.

The company has some insulation against the interest rate rises from a fixed rate portfolio of asset backed financing instruments. Furthermore, the liquidity present and the relatively low level of cash flow leverage in the company has provided a natural hedge with cash reserves being deployed into fixed notice accounts achieving the most optimal rate available in line with the underlying base rate.

Ongoing conflict in Ukraine: The Board continues to monitor the distressing events taking place in Ukraine and the threat of wider escalation from NATO support. Whilst the company has no direct exposure to Russian customers or cargoes, we do have concerns over the escalatory effect this has had on inflation and commodity prices which does appear to be starting to ease. We are actively monitoring prices and will seek to hedge where possible to preserve margins.

Outlook

The Board does not foresee any material changes in the principal activities of the company. Whilst 2022 saw a return to more normalised operating conditions within the sectors in which the company operate, we are confident that our continued investment will deliver both revenue and profitability growth in 2024 onward. The challenging economic backdrop, particularly in the container sector place us on target to repeat our 2022 performance again in 2023.

We are confident the company has sufficient liquidity and headroom to achieve these aims.

Section 172 (1) Statement – Engaging with Stakeholders

Solent Stevedores is a family-run company and we are proud to have our people at the heart of our operations, development and success.

We take great responsibility for our role in the local communities that we operate in and we go beyond simply considering the environment and proactively work with our port partners to reduce any environmental impact associated with the critical work we do keeping trade flowing into and out of the country.

Employees

Across our five UK locations, we employ over 150 people. We take great pride in actively engaging our employees.

We regularly coordinate “Workers Rep” meetings which give each department a nominated spokesperson with the opportunity to share the collective thoughts and suggestions from the wider team. This has provided us with honest and direct opinions and highlighted concerns where employees may feel otherwise uncomfortable in communicating.

As part of our forthcoming expansion of our Southampton operations, we have actively engaged the thoughts and views of the team who will be running the facility daily. Their insight into the type and specification of machinery, operational layout, and systems by way of example are integral to the success of the project.

Many of our employees have strong interests outside of work - we support, encourage, and celebrate these regularly. From volunteering for the Police, to sporting achievements, and even helping to promote musical projects.

Community and Environment

In 2021, we launched the Retired Southampton Dockers Club with the simple purpose of giving former port workers the opportunity to reminisce days past. The events are well attended and have given the Board a valuable insight into the traditions and heritage of the Port of Southampton through its history where many former port workers are second or third generation. We actively seek to preserve these traditions and key to that will be documenting these for future generations which we are planning to do with a Journal publication.

We encourage and support all employees with participating in Charitable events including sponsored cycle rides. We also regularly sponsor local sporting clubs and hold staff event days where families can come together to get to know each other in a setting other than the workplace.

This year, we launched our first Charity of the Year initiative which was nominated for and chosen by our own team members across the company. For 2022, we supported Neuroblastoma UK, a charity that funds research to discover new, more effective and kinder treatment for children with Neuroblastoma, a disease that has impacted the family of two of our team members.

Our ongoing program of investment for reducing our carbon emissions continues at a pace and is supported with an award win from the prestigious cruise industry Wave Awards in 2021. The ‘Best Environmental Initiative’ award was in recognition of our £1 million investment in a new fleet of 35 electric emission-free forklift trucks.

We have also enhanced staff engagement to embed environmental values and introduced a cycle to work scheme for our team members. More recently the use of substitute biofuels for our heavy lifting machinery has been introduced.

We continue to look at new ways we can further reduce our environmental impact - from individual team member activities to equipment and infrastructure.

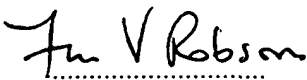
Solent Stevedores Limited

Strategic report (continued)
For the year ended 31 December 2022

Customers and Suppliers

Our reputation for customer service in the industry is unrivalled. We actively seek long term relationships with both our customers and suppliers with contracted terms where suitable to underpin our commitment and deliver the best value. We pride ourselves with having strong communication channels with our all our customers and suppliers and actively encourage our workforce to do the same giving the best integration between the two parties at each function or sector.

On behalf of the board



Fiona Robson
Director

Date: 27/07/2023

Solent Stevedores Limited

Directors' report

For the year ended 31 December 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company continued to be that of cargo handling.

Results and dividends

The results for the year are set out on page 13.

Ordinary dividends were paid amounting to £2,150,000 (2021 - £1,300,000). The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Fiona Robson

Stuart Cullen

Thomas Dynes

(Resigned 31 August 2022)

Zachary Mcelvenny

Clive Thomas

Jonathan Williams

Financial instruments

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

The company is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits, bank overdrafts and loans.

Investments of cash surpluses and borrowings are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Auditor

The auditor, Saffery Champness, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

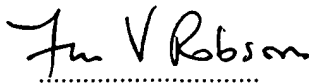
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Solent Stevedores Limited

Directors' report (continued)

For the year ended 31 December 2022

On behalf of the board



.....
Fiona Robson

Director

Date: 27/07/2023

Solent Stevedores Limited

Directors' responsibilities statement For the year ended 31 December 2022

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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Solent Stevedores Limited

Independent auditor's report

To the members of Solent Stevedores Limited

Opinion

We have audited the financial statements of Solent Stevedores Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including 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 2022 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Solent Stevedores Limited

Independent auditor's report (continued) To the members of Solent Stevedores Limited

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.

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

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept, 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 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 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and by updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006 and UK Tax legislation.

Audit response to risks identified

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

Solent Stevedores Limited

Independent auditor's report (continued)

To the members of Solent Stevedores Limited

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

A further description of our responsibilities is available on 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 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.

Saffery Champness

Michael Strong
Senior Statutory Auditor
For and on behalf of Saffery Champness

28 July 2023

Chartered Accountants
Statutory Auditors

St Catherine's Court
Berkeley Place
Clifton
Bristol
BS8 1BQ

Solent Stevedores Limited

**Statement of comprehensive income
For the year ended 31 December 2022**

| | | 2022 | 2021 |
|--|--------------|-------------------------|-------------------------|
| | Notes | £ | £ |
| Turnover | 3 | 40,362,864 | 37,623,058 |
| Cost of sales | | (31,261,106) | (26,539,138) |
| Gross profit | | <u>9,101,758</u> | <u>11,083,920</u> |
| Administrative expenses | | (4,455,443) | (3,873,260) |
| Other operating income | | 15,164 | 19,673 |
| Operating profit | 4 | <u>4,661,479</u> | <u>7,230,333</u> |
| Interest receivable and similar income | 7 | 8,489 | 401 |
| Interest payable and similar expenses | 8 | (124,176) | (124,620) |
| Profit before taxation | | <u>4,545,792</u> | <u>7,106,114</u> |
| Tax on profit | 9 | (817,497) | (1,503,114) |
| Profit for the financial year | | <u><u>3,728,295</u></u> | <u><u>5,603,000</u></u> |

The income statement has been prepared on the basis that all operations are continuing operations.

Solent Stevedores Limited

**Statement of financial position
As at 31 December 2022**

| | Notes | £ | 2022 £ | £ | 2021 £ |
|--|-------|-------------|-------------------|-------------------|------------------|
| Fixed assets | | | | | |
| Intangible assets | 11 | | 120,699 | | 99,499 |
| Tangible assets | 12 | | 6,722,432 | | 5,956,189 |
| Investments | 13 | | 1 | | 1 |
| | | | <u>6,843,132</u> | | <u>6,055,689</u> |
| Current assets | | | | | |
| Stocks | 15 | 101,744 | | 68,426 | |
| Debtors | 16 | 7,620,387 | | 6,974,396 | |
| Cash at bank and in hand | | 5,747,969 | | 6,903,350 | |
| | | | <u>13,470,100</u> | <u>13,946,172</u> | |
| Creditors: amounts falling due within one year | 17 | (5,591,124) | | (6,485,092) | |
| | | | <u>7,878,976</u> | <u>7,461,080</u> | |
| Net current assets | | | <u>7,878,976</u> | <u>7,461,080</u> | |
| Total assets less current liabilities | | | <u>14,722,108</u> | <u>13,516,769</u> | |
| Creditors: amounts falling due after more than one year | 18 | (2,629,718) | | (3,254,767) | |
| Provisions for liabilities | | | | | |
| Deferred tax liability | 21 | 817,850 | | 565,757 | |
| | | | <u>(817,850)</u> | <u>(565,757)</u> | |
| Net assets | | | <u>11,274,540</u> | <u>9,696,245</u> | |
| Capital and reserves | | | | | |
| Called up share capital | 23 | | 1,000 | | 1,000 |
| Profit and loss reserves | | | 11,273,540 | | 9,695,245 |
| | | | <u>11,274,540</u> | <u>9,696,245</u> | |
| Total equity | | | <u>11,274,540</u> | <u>9,696,245</u> | |

Solent Stevedores Limited

Statement of financial position (continued)

As at 31 December 2022

The financial statements were approved by the board of directors and authorised for issue on .27/07/2023... and are signed on its behalf by:



.....
Fiona Robson
Director

Company Registration No. 03931746

Solent Stevedores Limited**Statement of changes in equity
For the year ended 31 December 2022**

| | Notes | Share capital £ | Profit and loss reserves £ | Total £ |
|--|--------------|--------------------------------|---|--------------------|
| Balance at 1 January 2021 | | 1,000 | 5,392,245 | 5,393,245 |
| Year ended 31 December 2021: | | | | |
| Profit and total comprehensive income for the year | | - | 5,603,000 | 5,603,000 |
| Dividends | 10 | - | (1,300,000) | (1,300,000) |
| Balance at 31 December 2021 | | 1,000 | 9,695,245 | 9,696,245 |
| Year ended 31 December 2022: | | | | |
| Profit and total comprehensive income for the year | | - | 3,728,295 | 3,728,295 |
| Dividends | 10 | - | (2,150,000) | (2,150,000) |
| Balance at 31 December 2022 | | 1,000 | 11,273,540 | 11,274,540 |

1 Accounting policies

Company information

Solent Stevedores Limited is a private company limited by shares incorporated in England and Wales. The registered office is Suite 1, Drake House, Drake Lane, Dursley, Gloucestershire, GL11 4HH.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Cullen Group Limited. These consolidated financial statements are available from its registered office, Suite 1, Drake House, Drake Lane, Dursley, Gloucester, GL11 4HH.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1 Accounting policies (continued)

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and 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.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

1.4 Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Internally generated computer software 25% straight line

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

1 Accounting policies (continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|------------------------------|----------------------------|
| Leasehold land and buildings | Over the term of the lease |
| Plant and equipment | 15% - 25% straight line |
| Fixtures and fittings | 25% - 33% straight line |
| Assets under construction | No depreciation |
| Motor vehicles | 25% straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Impairment of fixed assets

At each reporting period end date, the company 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). 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.

1.8 Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investment in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to net realisable value. Determined using the first-in, first-out (FIFO) method.

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 or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies (continued)

1.11 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit and loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.12 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 Profit and Loss Account 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.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

1 Accounting policies (continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing differences.

Current or deferred taxation assets and liabilities are not discounted.

1.14 Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1 Accounting policies (continued)

Lease payments are apportioned between finance costs in the Profit and Loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover

| | 2022 | 2021 |
|---|-------------------|-------------------|
| | £ | £ |
| Turnover analysed by class of business | | |
| Stevedoring services | 40,362,864 | 37,623,058 |
| | <u>40,362,864</u> | <u>37,623,058</u> |
| | 2022 | 2021 |
| | £ | £ |
| Turnover analysed by geographical market | | |
| United Kingdom | 40,362,864 | 37,623,058 |
| | <u>40,362,864</u> | <u>37,623,058</u> |

Solent Stevedores Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

4 Operating profit

| | 2022 | 2021 |
|--|-----------------------------|-----------------------------|
| | £ | £ |
| Operating profit for the year is stated after charging/(crediting): | | |
| Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss | (22,465) | 3,424 |
| Government grants | - | (19,673) |
| Government grants repaid | 73,113 | - |
| Fees payable to the company's auditor for the audit of the company's financial statements | 57,000 | 43,525 |
| Depreciation of owned tangible fixed assets | 1,246,353 | 1,275,773 |
| Profit on disposal of tangible fixed assets | (10,137) | (72,656) |
| Amortisation of intangible assets | 32,521 | 26,669 |
| Operating lease charges | 7,465,735 | 7,383,573 |
| | <u> </u> | <u> </u> |

5 Directors' remuneration

| | 2022 | 2021 |
|---|-----------------------------|-----------------------------|
| | £ | £ |
| Remuneration for qualifying services | 784,496 | 642,209 |
| Company pension contributions to defined contribution schemes | 131,932 | 136,016 |
| | <u> </u> | <u> </u> |
| | 916,428 | 778,225 |
| | <u> </u> | <u> </u> |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2021 - 6).

Remuneration disclosed above include the following amounts paid to the highest paid director:

| | 2022 | 2021 |
|---|-----------------------------|-----------------------------|
| | £ | £ |
| Remuneration for qualifying services | 196,668 | 174,689 |
| Company pension contributions to defined contribution schemes | 45,220 | 39,978 |
| | <u> </u> | <u> </u> |

The prior year disclosure has been updated to reflect a director appointment that took place during that year.

Solent Stevedores Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

| | 2022 Number | 2021 Number |
|---|----------------|----------------|
| Stevedoring operatives | 128 | 121 |
| Office and management staff (including directors) | 24 | 23 |
| Total | <u>152</u> | <u>144</u> |

Their aggregate remuneration comprised:

| | 2022 £ | 2021 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 6,817,564 | 6,242,164 |
| Social security costs | 866,049 | 683,926 |
| Pension costs | 652,057 | 492,581 |
| | <u>8,335,670</u> | <u>7,418,671</u> |

7 Interest receivable and similar income

| | 2022 £ | 2021 £ |
|---------------------------|--------------|------------|
| Interest income | | |
| Interest on bank deposits | 8,489 | 401 |
| | <u>8,489</u> | <u>401</u> |

8 Interest payable and similar expenses

| | 2022 £ | 2021 £ |
|--|----------------|----------------|
| Interest on bank overdrafts and loans | 52,636 | 28,901 |
| Interest on finance leases and hire purchase contracts | 71,540 | 95,719 |
| | <u>124,176</u> | <u>124,620</u> |

Solent Stevedores Limited

**Notes to the financial statements (continued)
For the year ended 31 December 2022**

9 Taxation

| | 2022 | 2021 |
|--|----------------|------------------|
| | £ | £ |
| Current tax | | |
| UK corporation tax on profits for the current period | 571,075 | 1,222,342 |
| Adjustments in respect of prior periods | (20,671) | (2,937) |
| | <u>550,404</u> | <u>1,219,405</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | 240,852 | 283,709 |
| Adjustment in respect of prior periods | 26,241 | - |
| | <u>267,093</u> | <u>283,709</u> |
| Total tax charge | <u>817,497</u> | <u>1,503,114</u> |

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

| | 2022 | 2021 |
|--|------------------|------------------|
| | £ | £ |
| Profit before taxation | <u>4,545,792</u> | <u>7,106,114</u> |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%) | 863,700 | 1,350,162 |
| Tax effect of expenses that are not deductible in determining taxable profit | 36,329 | 33,749 |
| Tax effect of income not taxable in determining taxable profit | (17) | - |
| Adjustments in respect of prior years | (20,670) | (2,937) |
| Effect of change in corporation tax rate | - | 135,782 |
| Group relief | (95,062) | (30,113) |
| Permanent capital allowances in excess of depreciation | (50,828) | 35,613 |
| Under/(over) provided in prior years | - | (19,142) |
| Deferred tax adjustments in respect of prior years | 26,241 | - |
| Remeasurement of deferred tax for changes in tax rates | 57,804 | - |
| | <u>817,497</u> | <u>1,503,114</u> |
| Taxation charge for the year | <u>817,497</u> | <u>1,503,114</u> |

Solent Stevedores Limited

Notes to the financial statements (continued)
For the year ended 31 December 2022

10 Dividends

| 2022 | 2021 |
|------------|-----------|
| £ | £ |
| Final paid | |
| 2,150,000 | 1,300,000 |

11 Intangible fixed assets

| | Software £ |
|------------------------------------|---------------|
| Cost | |
| At 1 January 2022 | 201,864 |
| Additions - internally developed | 53,721 |
| At 31 December 2022 | 255,585 |
| Amortisation and impairment | |
| At 1 January 2022 | 102,365 |
| Amortisation charged for the year | 32,521 |
| At 31 December 2022 | 134,886 |
| Carrying amount | |
| At 31 December 2022 | 120,699 |
| At 31 December 2021 | 99,499 |

Solent Stevedores Limited

Notes to the financial statements (continued)
For the year ended 31 December 2022

12 Tangible fixed assets

| | Leasehold land and buildings | Assets under construction | Plant and equipment | Fixtures and fittings | Motor vehicles | Total |
|------------------------------------|------------------------------------|---------------------------------|------------------------|--------------------------|-------------------|------------|
| | £ | £ | £ | £ | £ | £ |
| Cost | | | | | | |
| At 1 January 2022 | 1,829,175 | - | 10,745,583 | 645,552 | 63,450 | 13,283,760 |
| Additions | 306,542 | 738,630 | 921,136 | 65,858 | - | 2,032,166 |
| Disposals | - | - | (263,942) | - | - | (263,942) |
| At 31 December 2022 | 2,135,717 | 738,630 | 11,402,777 | 711,410 | 63,450 | 15,051,984 |
| Depreciation and impairment | | | | | | |
| At 1 January 2022 | 860,365 | - | 5,978,847 | 450,628 | 37,731 | 7,327,571 |
| Depreciation charged in the year | 209,976 | - | 954,509 | 69,629 | 12,239 | 1,246,353 |
| Eliminated in respect of disposals | - | - | (244,372) | - | - | (244,372) |
| At 31 December 2022 | 1,070,341 | - | 6,688,984 | 520,257 | 49,970 | 8,329,552 |
| Carrying amount | | | | | | |
| At 31 December 2022 | 1,065,376 | 738,630 | 4,713,793 | 191,153 | 13,480 | 6,722,432 |
| At 31 December 2021 | 968,810 | - | 4,766,736 | 194,924 | 25,719 | 5,956,189 |

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

| | 2022 £ | 2021 £ |
|-----------------------|-----------|-----------|
| Plant and equipment | 3,655,551 | 4,069,908 |
| Fixtures and fittings | 79,971 | 138,585 |
| Motor vehicles | 13,480 | 25,718 |
| | 3,749,002 | 4,234,211 |

Solent Stevedores Limited

**Notes to the financial statements (continued)
For the year ended 31 December 2022**

13 Fixed asset investments

| | Notes | 2022 £ | 2021 £ |
|-------------------------------|-------|-----------|-----------|
| Investments in joint ventures | 14 | 1 | 1 |

14 Joint ventures

Details of the company's joint ventures at 31 December 2022 are as follows:

| Name of undertaking | Registered office | Interest held | % Held | |
|---------------------------|-------------------|---------------|--------|----------|
| | | | Direct | Indirect |
| United Stevedores Limited | United Kingdom | Ordinary | 50.00 | - |

15 Stocks

| | 2022 £ | 2021 £ |
|--|-----------|-----------|
| Spare parts for containers and reefers | 101,744 | 68,426 |

16 Debtors

| | 2022 £ | 2021 £ |
|---|------------------|------------------|
| Amounts falling due within one year: | | |
| Trade debtors | 6,220,450 | 6,037,510 |
| Amounts owed by group undertakings | 279,636 | 116,975 |
| Other debtors | 460,341 | 211,007 |
| Prepayments and accrued income | 659,960 | 608,904 |
| | <u>7,620,387</u> | <u>6,974,396</u> |

Solent Stevedores Limited

**Notes to the financial statements (continued)
For the year ended 31 December 2022**

17 Creditors: amounts falling due within one year

| | Notes | 2022 £ | 2021 £ |
|------------------------------------|-------|------------------|------------------|
| Bank loans | 20 | 75,000 | 366,660 |
| Obligations under finance leases | 19 | 968,772 | 1,067,580 |
| Trade creditors | | 2,872,260 | 2,400,118 |
| Corporation tax | | 189,650 | 730,449 |
| Other taxation and social security | | 339,036 | 434,852 |
| Other creditors | | 97,170 | 148,597 |
| Accruals and deferred income | | 1,049,236 | 1,336,836 |
| | | <u>5,591,124</u> | <u>6,485,092</u> |

18 Creditors: amounts falling due after more than one year

| | Notes | 2022 £ | 2021 £ |
|----------------------------------|-------|------------------|------------------|
| Bank loans and overdrafts | 20 | 1,037,184 | 1,208,340 |
| Obligations under finance leases | 19 | 1,592,534 | 2,046,427 |
| | | <u>2,629,718</u> | <u>3,254,767</u> |

19 Finance lease obligations

| | 2022 £ | 2021 £ |
|---|------------------|------------------|
| Future minimum lease payments due under finance leases: | | |
| Within one year | 968,772 | 1,067,580 |
| In two to five years | 1,592,534 | 2,046,427 |
| | <u>2,561,306</u> | <u>3,114,007</u> |

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Finance lease liabilities are secured against the assets to which they relate.

Notes to the financial statements (continued)
For the year ended 31 December 2022

20 Loans and overdrafts

| | 2022 | 2021 |
|-------------------------|-----------|-----------|
| | £ | £ |
| Bank loans | 1,112,184 | 1,575,000 |
| Payable within one year | 75,000 | 366,660 |
| Payable after one year | 1,037,184 | 1,208,340 |

Amounts due to related parties are secured, interest free, have no fixed date or repayment and are repayable on demand.

Included within 'Other creditors' is £Nil (2021 - £Nil) due in respect of an invoice discounting facility secured by a debenture over all assets of the company dated 27 June 2013.

On the 20 September 2022, the parent company obtained bank borrowings from HSBC UK Bank plc which are secured by legal charges over the assets owned by the group. All assets are secured by a fixed and floating charge registered 20 September 2022 and by a fixed and negative pledge charge registered 20 September 2022.

21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

| | Liabilities 2022 | Liabilities 2021 |
|--------------------------------|---------------------|---------------------|
| | £ | £ |
| Balances: | | |
| Accelerated capital allowances | 817,850 | 565,757 |
| Movements in the year: | | 2022 |
| | | £ |
| Liability at 1 January 2022 | | 565,757 |
| Charge to profit or loss | | 252,093 |
| Liability at 31 December 2022 | | 817,850 |

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

Solent Stevedores Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

22 Retirement benefit schemes

| | 2022 | 2021 |
|---|---------|---------|
| | £ | £ |
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | 652,057 | 492,581 |

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

23 Share capital

| | 2022 | 2021 | 2022 | 2021 |
|---|--------|--------|-------|-------|
| | Number | Number | £ | £ |
| Ordinary share capital Issued and fully paid | | | | |
| Ordinary shares of £1 each | 1,000 | 1,000 | 1,000 | 1,000 |

The company has one class of shares being Ordinary £1 shares, which each share holds full voting rights.

The company ordinary shares have been pledged as security for the group's bank loan liabilities.

24 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2022 | 2021 |
|----------------------------|------------|------------|
| | £ | £ |
| Within one year | 8,096,868 | 7,498,943 |
| Between two and five years | 27,692,752 | 28,129,429 |
| In over five years | 20,174,490 | 30,393,331 |
| | 55,964,110 | 66,021,703 |

25 Capital commitments

Amounts contracted for but not provided in the financial statements:

| | 2022 | 2021 |
|--------------------------------------|-----------|------|
| | £ | £ |
| Acquisition of tangible fixed assets | 4,411,435 | - |

26 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

| | Purchases 2022 £ | Purchases 2021 £ |
|--|---------------------------------|---------------------------------|
| Other related parties | 3,597,360 | 1,621,186 |
| | <u>2022</u> £ | <u>2021</u> £ |
| Amounts due to related parties | | |
| Entities with control, joint control or significant influence over the company | - | 7,474 |
| Other related parties | 275,176 | 193,242 |
| | <u>2022</u> £ | <u>2021</u> £ |

The following amounts were outstanding at the reporting end date:

| | 2022 £ | 2021 £ |
|--|-------------------|-------------------|
| Amounts due from related parties | | |
| Entities with control, joint control or significant influence over the company | 141,397 | - |
| Other related parties | 7,563 | 16,882 |
| | <u>2022</u> £ | <u>2021</u> £ |

Other information

The company has taken advantage of the exemptions available under Section 33 of Financial Reporting Standard 102 ("FRS102") "Related Party Disclosures", and has not disclosed transactions with companies that are wholly owned subsidiaries of the Cullen Group Limited group of companies.

Solent Stevedores Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

27 Ultimate controlling party

The company's immediate parent undertaking is Cullen Group Limited whose registered office is Suite 1, Drake House, Drake Lane, Dursley, Gloucestershire, GL11 4HH.

Cullen Group Limited is the parent of both the smallest and largest group of which the company is a member and for which consolidated financial statements are prepared. Copies of the financial statements of both companies are available from Companies House, Crown Way, Cardiff CF14 3UZ.

The ultimate controlling party is S D Cullen, a director of the company, and the sole shareholder in Cullen Group Limited.