

# Charles Kendall Freight Limited

## Annual Report and Financial Statements

for the Year Ended 31 December 2016

Roffe Swayne  
Statutory Auditors & Chartered Accountants  
Ashcombe Court  
Woolsack Way  
Godalming  
Surrey  
GU7 1LQ

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# **Charles Kendall Freight Limited**

## **Contents**

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Company Information	1
Strategic Report	2
Directors' Report	3 to 4
Independent Auditor's Report	5 to 6
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 to 18

## **Charles Kendall Freight Limited**

### **Company Information**

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**Chairman** MM Kendall

**Directors** MM Kendall  
P Sunderland  
IG Jenkins  
SM Harris  
M Frew  
P Bedford  
K Cheung

**Company secretary** MC Bishop

**Registered office** 7 Albert Court  
Prince Consort Road  
London  
SW7 2BJ

**Auditors** Roffe Swayne  
Statutory Auditors & Chartered Accountants  
Ashcombe Court  
Woolsack Way  
Godalming  
Surrey  
GU7 1LQ

## Charles Kendall Freight Limited

### Strategic Report for the Year Ended 31 December 2016

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The Directors present their strategic report for the year ended 31 December 2016.

This strategic report presents an assessment of the development and performance of the Company's business during the year ended 31 December 2016, its position at the year end and its prospects for the future. The strategic report takes account of the non-complex nature of the business and the risks and uncertainties that the Company faces.

#### Fair review of the business

The Directors consider that the Company's key financial indicators are those that communicate the financial performance and strengths of the Company as a whole, these being the level of turnover, gross profit, gross profit percentage and net assets/shareholders' funds. The table below gives a summary of these key financial indicators for 2016 and 2015.

	2016	2015	Increase/ (decrease)
	£	£	%
Turnover	21,158,807	20,762,967	1.9%
Gross profit	6,169,388	6,252,461	(1.3%)
Gross profit percentage	29%	30%	
Net assets/ shareholders' funds	<u>3,764,222</u>	<u>3,667,975</u>	<u>2.6%</u>

The Company had a mixed 2016 with a decrease in its gross margin percentage by 1%, on an increased turnover. In 2016 the Company extended its European VAT and duty clearance service for a major international client which made a good contribution to turnover and gross profit. It also had a marked impact on the level of debtor and creditor balances during the year.

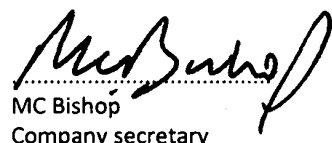
The level of net assets/shareholders' funds is important for the Company as it is this measure that is often focussed on by clients as a sign of financial strength when the Company tenders for new assignments and it is also pleasing to again report an improvement in this measure over the level reported for 2015. This, together with the net cash resources at its disposal, helped the Company end 2016 in a stronger financial position than at the end of 2015.

#### Principal risks and uncertainties

Looking forward to 2017, the business environment in which the Company operates continues to be challenging with increasing competition coming from both larger corporates and smaller independent freight forwarders, with clients ever more focused on their own operational costs. Notwithstanding these concerns, there continue to be many opportunities for the Company to offer added value services and to win new clients and assignments, for both import and export movements, particularly in the Middle East, the Far East, Europe and North America. Accordingly, the Directors remain firmly focused on positioning the Company so as to capitalise on these opportunities, but at the same time ensuring that existing clients are retained through the provision of a thoroughly professional first class service.

The Directors consider that, in light of the current world economic conditions, 2017 will be another very challenging year for the Company, but they are confident that the Company will continue to perform well, subject to unforeseen events outside of their control.

Approved by the Board of Directors on 9 June 2017 and signed on its behalf by:



MC Bishop  
Company secretary

## **Charles Kendall Freight Limited**

### **Directors' Report for the Year Ended 31 December 2016**

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The Directors present their report and the financial statements for the year ended 31 December 2016.

#### **Principal activity**

The principal activity of the Company in the year under review was that of an international freight forwarder. With branch offices in the UK and the Middle East, the Company achieves its income by charging its clients a fee for arranging the movement of goods around the world by either sea, air or road.

#### **Directors of the Company**

The Directors shown below have held office during the period from 1 January 2016 to the date of this report.

MM Kendall - Chairman

JM Kendall (deceased 11 July 2016)

P Sunderland

IG Jenkins

SM Harris

M Frew

P Bedford

K Cheung

#### **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.

## **Charles Kendall Freight Limited**

### **Directors' Report for the Year Ended 31 December 2016 (continued)**

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#### **Financial instruments**

The Company's activities expose it to the financial risks of credit and cash flow risks. The Company does not have a liquidity risk as it retains sufficient funds to maintain its ongoing operations. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors. The Company does not use derivative financial instruments for speculative purposes.

#### **Cash flow risk**

The Company's activities expose it to the risk of changes in foreign currency exchange rates. The Company makes limited use of forward foreign exchange contracts.

#### **Credit risk**

The Company's principal financial assets are bank balances and cash, trade and other debtors and investments.

The Company's credit risk is primarily its trade debtors. The amounts presented in the balance sheet are net of provisions for doubtful debt. The credit risk on liquid funds is limited because the counter-parties are banks with high credit-ratings assigned by international credit-rating agencies. The Company does not have any significant concentration of credit risk, with exposure spread over a large number of counter-parties and customers.

#### **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.

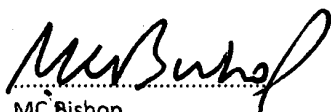
As far as each of the Directors who held office at 9 June 2017 are aware:

- 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.

#### **Reappointment of auditors**

The auditors Roffe Swayne are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board of Directors on 9 June 2017 and signed on its behalf by:



MC Bishop  
Company secretary

## **Charles Kendall Freight Limited**

### **Independent Auditor's Report**

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We have audited the financial statements of Charles Kendall Freight Limited for the year ended 31 December 2016, set out on pages 7 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

#### **Respective responsibilities of Directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities (set out on page 3), the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Charles Kendall Freight Limited

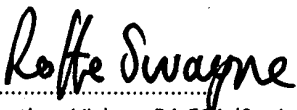
### Independent Auditor's Report (continued)

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#### Matters on which we are required to report by exception

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



Jonathan Vickery BA FCA (Senior Statutory Auditor)  
For and on behalf of Roffe Swayne, Statutory Auditor

Ashcombe Court  
Woolsack Way  
Godalming  
Surrey  
GU7 1LQ

9 June 2017



# Charles Kendall Freight Limited

## Statement of Comprehensive Income for the Year Ended 31 December 2016

	Note	2016 £	2015 £
<b>Turnover</b>	2	21,158,807	20,762,967
Cost of sales		<u>(14,989,419)</u>	<u>(14,510,506)</u>
<b>Gross profit</b>		6,169,388	6,252,461
Administrative expenses		(6,844,726)	(7,226,573)
Other operating income		<u>803,900</u>	<u>1,075,221</u>
<b>Profit on ordinary activities before taxation</b>	5	128,562	101,109
Tax on profit on ordinary activities	6	<u>(32,315)</u>	<u>(24,327)</u>
<b>Profit for the financial year</b>		96,247	76,782
Other comprehensive income		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u>96,247</u>	<u>76,782</u>

The notes on pages 10 to 18 form an integral part of these financial statements.

**Charles Kendall Freight Limited**

**(Registration number: 00540121)**

**Balance Sheet as at 31 December 2016**

	Note	2016 £	2015 £
<b>Current assets</b>			
Debtors	7	13,577,476	12,791,537
Cash at bank and in hand		<u>6,215,375</u>	<u>6,470,299</u>
		19,792,851	19,261,836
<b>Creditors: Amounts falling due within one year</b>	8	<u>(16,028,629)</u>	<u>(15,593,861)</u>
<b>Net current assets</b>		<u>3,764,222</u>	<u>3,667,975</u>
<b>Total assets less current liabilities</b>		<u>3,764,222</u>	<u>3,667,975</u>
<b>Capital and reserves</b>			
Called up share capital	10	1,700,000	1,700,000
Profit and loss account	11	<u>2,064,222</u>	<u>1,967,975</u>
<b>Shareholders' funds</b>		<u>3,764,222</u>	<u>3,667,975</u>

The financial statements were approved by the Board of Directors on 9 June 2017 and signed on its behalf by:

  
MM Kendall

Chairman

**Charles Kendall Freight Limited**

**Statement of Changes in Equity for the Year Ended 31 December 2016**

	Share capital £	Profit and loss account £	Total £
<b>At 1 January 2015</b>	1,700,000	1,891,193	3,591,193
<b>Changes in equity</b>			
Total comprehensive income	-	76,782	76,782
<b>At 31 December 2015</b>	1,700,000	1,967,975	3,667,975
<b>Changes in equity</b>			
Total comprehensive income	-	96,247	96,247
<b>At 31 December 2016</b>	<u>1,700,000</u>	<u>2,064,222</u>	<u>3,764,222</u>

The notes on pages 10 to 18 form an integral part of these financial statements.

**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**

Charles Kendall Freight 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 Spur Road, Feltham, Middlesex, TW14 0SL. 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 Charles Kendall Freight Limited were approved for issue by the Board of Directors on 9 June 2017. 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 Charles Kendall Freight 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**

Charles Kendall Freight Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect to the presentation of a cash flow statement and remuneration of key management personnel.

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.

**Revenue recognition**

Revenue is recognised in the financial statements dependent upon the type of shipment. For imports, invoices are raised when the shipment has been delivered to or collected by the consignee. For exports and cross trades, invoices are raised when the shipment has been dispatched.

When work is carried out as a customs broker or advisor, the Company earns an income by acting on behalf of customers to facilitate their trading activities, with the risks and rewards of those activities firmly remaining with the customers. For this type of work the income earned is invoiced when the service has been provided and accounted for as turnover.

**Foreign currency transactions and balances**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Profits or losses arising on foreign currencies are dealt with in the profit and loss account against the transactions to which they relate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Foreign currency fair value hedges arise where a hedge is purchased not for a single recognisable asset or liability but a position whose components include several assets and liability classes. Fair value hedges are valued at fair value with the profit or loss recognised in the profit and loss account.

**1 Accounting policies (continued)**

**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.

**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.

**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.

**Leases**

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.

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

1 Accounting policies (continued)

**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.

**Taxation**

The Company performs tax computations as accurately as possible to materially agree with the computations submitted to the tax authorities at a later date. There remains the possibility that audits by the tax authorities may disagree with an accounting treatment necessitating the revision of the provisions for taxation.

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 an international freight forwarder is as follows:

	2016 £	2015 £
<b>Turnover by activity</b>		
Rendering of services	21,158,064	20,761,228
Interest received	743	1,739
	<u>21,158,807</u>	<u>20,762,967</u>
	2016 £	2015 £
<b>Turnover by geographical market</b>		
United Kingdom	12,253,014	12,263,567
Middle East	4,850,511	4,666,896
United States	2,509,433	2,297,308
Asia	625,995	673,738
Europe	715,853	666,609
Rest of the World	204,001	194,849
	<u>21,158,807</u>	<u>20,762,967</u>

## Charles Kendall Freight Limited

### Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

#### 3 Staff costs

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

	2016 Number	2015 Number
International freight forwarders	<u>108</u>	<u>105</u>

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

	2016 £	2015 £
Wages and salaries	3,698,610	3,369,843
Social security costs	371,709	330,848
Other pension costs	<u>259,279</u>	<u>249,085</u>
	<u>4,329,598</u>	<u>3,949,776</u>

#### 4 Directors' remuneration

The Directors' remuneration for the year was as follows:

	2016 £	2015 £
Remuneration	761,663	579,892
Contributions paid to money purchase schemes	<u>59,673</u>	<u>54,950</u>
	<u>821,336</u>	<u>634,842</u>

The remuneration of the highest paid Director was as follows:

	2016 £	2015 £
Salary and taxable benefits	187,208	152,952
Pension contributions to money purchase schemes	<u>17,850</u>	<u>17,500</u>
	<u>205,058</u>	<u>170,452</u>

Four Directors received emoluments from several group undertakings, one of whom was a Director of the ultimate parent undertaking in which financial statements the full cost of his remuneration is disclosed. It is not practicable to allocate the Directors' remuneration between group companies.

# Charles Kendall Freight Limited

## Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

### 5 Operating profit

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

	2016 £	2015 £
Operating lease expense - plant and machinery	264,924	265,094
Operating lease expense - property	144,514	134,183
Auditors' remuneration - audit	30,250	23,250
Foreign exchange losses	15,878	210,929

### 6 Taxation

	2016 £	2015 £
<b>Current taxation</b>		
UK corporation tax at 20% (2015 - 20%)	31,732	23,326
UK corporation tax adjustment to prior periods	-	(8)
	<u>31,732</u>	<u>23,318</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	536	730
Adjustments in respect of previous periods	47	279
Total deferred taxation	<u>583</u>	<u>1,009</u>
Tax expense in the income statement	<u>32,315</u>	<u>24,327</u>

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:

	2016 £	2015 £
Profit on ordinary activities before taxation	<u>128,562</u>	<u>101,109</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 20% (2015 - 20%)	25,712	20,471
<b>Effects of:</b>		
Expenses not deductible for tax purposes	6,556	3,585
Adjustments in respect of previous periods	47	271
	<u>32,315</u>	<u>24,327</u>



# Charles Kendall Freight Limited

## Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

### 7 Debtors

	2016 £	2015 £
Trade debtors	12,113,959	11,506,600
Amounts owed by group undertakings	495,815	490,431
Deferred tax assets	3,213	3,796
Other debtors	317,921	338,111
Prepayments and accrued income	646,568	452,599
	<u>13,577,476</u>	<u>12,791,537</u>

	2016 £	2015 £
<b>Deferred tax asset</b>		
Accelerated capital allowances	2,770	3,420
Other timing differences	443	376
	<u>3,213</u>	<u>3,796</u>

<b>Movement during the year:</b>	£
At 1 January 2016	3,796
Debited to profit and loss account (see note 6)	(583)
At 31 December 2016	<u>3,213</u>

### 8 Creditors

	Note	2016 £	2015 £
<b>Due within one year</b>			
Trade creditors		7,336,076	5,569,815
Amounts owed to group undertakings		8,463,278	9,922,464
Corporation tax	6	31,732	23,326
Other creditors		-	490
Accruals and deferred income		197,543	77,766
		<u>16,028,629</u>	<u>15,593,861</u>

# Charles Kendall Freight Limited

## Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

### 9 Obligations under leases and hire purchase contracts

#### Operating leases

At 31 December 2016 the Company had total future minimum rentals payable under non-cancellable operating leases as follows:

	2016 £	2015 £
<b>Buildings:</b>		
Less than one year	45,313	56,244
Between one and five years	137,104	77,862
	<u>182,417</u>	<u>134,106</u>

### 10 Share capital

#### Allotted, called up and fully paid shares

	2016		2015	
	Number	£	Number	£
Ordinary shares of £1 each	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,700,000</u>

### 11 Profit and loss account

	£
At 1 January 2016	1,967,975
Profit for the year	<u>96,247</u>
At 31 December 2016	<u>2,064,222</u>

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

### 12 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 £259,279 (2015 - £249,085). There were no contributions payable to the plan at the year end.

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

	2016 Number	2015 Number
Money purchase schemes	<u>6</u>	<u>5</u>

## Charles Kendall Freight Limited

### Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

#### 13 Contingent liabilities

A fellow subsidiary undertaking obtained banking facilities for the Company by providing an unlimited cross-guarantee to its bank.

At the year end, the Company had a bonds and guarantees facility with one bank amounting to £450,000 (2015 - £450,000). As at 31 December 2016 this facility was used by the Company in respect of performance bonds for duty deferment in the ordinary course of business amounting to £827,500 (2015 - £827,500).

At the year end, a Dutch bank had provided a fellow subsidiary undertaking in The Netherlands with customs duty and tax bonds amounting to €344,000. These bonds were secured by an undertaking from one of the Company's UK banks, which in turn was secured by the unlimited cross-guarantee provided by another fellow subsidiary undertaking, commented on above.

In addition, the Company also has an AED 480,000 (2015 - AED 480,000) local bond banking facility in Dubai to cover non custom bonds and custom duty deferment obligations in the ordinary course of business in that territory. This facility is supported by a cash deposit of AED 680,000 (2015 - AED 680,000) from the Company.

#### 14 Forward exchange contract

The following table details the forward foreign exchange currency contract outstanding at the year-end.

Outstanding contract	Exchange rate		Notional value		Fair value	
	2016 Rate	2015 Rate	2016 £	2015 £	2016 £	2015 £
<b>Within 12 months</b>						
Sell €4,000,000	-	1.37	-	2,927,293	-	2,959,498
Sell €1,000,000	1.16	-	865,801	-	853,606	-
Sell \$2,000,000	1.31	-	1,527,300	-	1,618,506	-
Sell €1,000,000	1.17	-	853,242	-	853,606	-

The Company has an underlying working capital exposure to Euros and dollars of approximately €4,000,000 in aggregate, components of which are included in trade debtors and creditors and cash held at banks. As the hedge has not been made for a specific recognised asset or liability it has been designated as a fair value hedge.

A loss of £219,637 was recognised as an exchange difference in the profit and loss account for the year (2015 - £32,205).

**15 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