

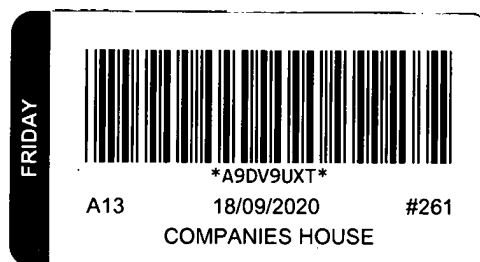
Registration number: 00540121

# Charles Kendall Freight Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2019

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



# **Charles Kendall Freight Limited**

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## **Charles Kendall Freight Limited**

### **Company Information**

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<b>Directors</b>	MM Kendall
	M Frew
	IG Jenkins
	PJ Bedford
	K Cheung
<b>Company secretary</b>	MC Bishop
<b>Registered office</b>	7 Albert Court Prince Consort Road London SW7 2BJ
<b>Auditors</b>	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 2019

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The Directors present their strategic report for the year ended 31 December 2019.

This strategic report presents an assessment of the development and performance of the Company's business during the year ended 31 December 2019, 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 2019 and 2018.

	2019	2018	Increase/ (decrease)
	£	£	%
Turnover	23,361,707	26,032,109	(10.3%)
Gross profit	7,416,727	7,471,371	(0.7%)
Gross profit percentage	32%	29%	
Net assets/ shareholders' funds	<u>4,023,680</u>	<u>4,069,151</u>	<u>(1.1%)</u>

The Company had a reduction in turnover in 2019 arising from the loss of a significant customer, that had generated high turnover volumes but at lower than average gross margin. The Company has been able to maintain its gross profit, falling by less than 1%, by concentrating on customers that deliver a higher gross margin. In 2019 the Company continued to extend its activities in the UK, European and Asian markets, which offset the customer loss.

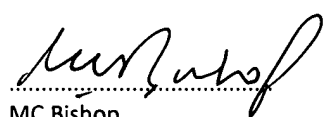
The level of net assets/shareholders' funds is important for the Company as it is this measure that is often focussed on by clients as a sign of financial strength when the Company tenders for new assignments and after reporting a small loss after tax for the year the Company closed 2019 with net assets/shareholder funds very close to the level reported for 2018. This, together with the net cash resources at its disposal, again helped the Company end 2019 in a strong financial position.

#### Principal risks and uncertainties

Looking forward to 2020, 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, and of course the very uncertain impact that the Covid-19 virus will have on business over 2020. 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 UK, Middle East, Asia, 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 and the Covid-19 virus pandemic, 2020 will be a 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 22 May 2020 and signed on its behalf by:



MC Bishop  
Company secretary

## **Charles Kendall Freight Limited**

### **Directors' Report for the Year Ended 31 December 2019**

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The Directors present their report and the financial statements for the year ended 31 December 2019.

#### **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 2019 to the date of this report.

MM Kendall

M Frew

IG Jenkins

PJ Bedford

K Cheung

P Sunderland (resigned 28 June 2019)

SM Harris (resigned 8 February 2019)

#### **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 2019 (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**

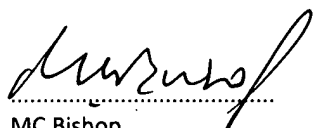
The Directors have discussed with the auditors, as part of the clearance and review process, the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company, consistently 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 22 May 2020 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.

Approved by the Board of Directors on 22 May 2020 and signed on its behalf by:



MC Bishop  
Company secretary

## **Charles Kendall Freight Limited**

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

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#### **Opinion**

We have audited the financial statements of Charles Kendall Freight Limited (the 'Company') for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

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

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

We have nothing to report in this regard.

## **Charles Kendall Freight Limited**

### **Independent Auditor's Report (continued)**

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

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

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

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

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

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

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

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities, set out on page 3, 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



## Charles Kendall Freight Limited

### Independent Auditor's Report (continued)


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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### 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.



Jonathan Vickery BA FCA (Senior Statutory Auditor)

For and on behalf of Roffe Swayne, Statutory Auditor & Chartered Accountants

Ashcombe Court  
Woolsack Way  
Godalming  
Surrey  
GU7 1LQ

22 May 2020

# Charles Kendall Freight Limited

## Statement of Comprehensive Income for the Year Ended 31 December 2019

	Note	2019 £	2018 £
<b>Turnover</b>	2	23,361,707	26,032,109
Cost of sales		<u>(15,944,980)</u>	<u>(18,560,738)</u>
<b>Gross profit</b>		7,416,727	7,471,371
Administrative expenses		(8,092,363)	(8,508,828)
Other operating income		<u>628,599</u>	<u>1,030,318</u>
<b>Loss before taxation</b>	5	(47,037)	(7,139)
Tax on loss	6	<u>1,566</u>	<u>(4,958)</u>
<b>Loss for the financial year</b>		<u>(45,471)</u>	<u>(12,097)</u>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<u><u>(45,471)</u></u>	<u><u>(12,097)</u></u>

The notes on pages 11 to 19 form an integral part of these financial statements.

**Charles Kendall Freight Limited**

**(Registration number: 00540121)**

**Balance Sheet as at 31 December 2019**

	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>Current assets</b>			
Stocks	7	11,393	13,417
Debtors	8	9,715,185	18,130,068
Cash at bank and in hand		<u>3,971,141</u>	<u>9,454,249</u>
		13,697,719	27,597,734
<b>Creditors: Amounts falling due within one year</b>	9	<u>(9,674,039)</u>	<u>(23,528,583)</u>
<b>Net current assets</b>		<u>4,023,680</u>	<u>4,069,151</u>
<b>Total assets less current liabilities</b>		<u>4,023,680</u>	<u>4,069,151</u>
<b>Capital and reserves</b>			
Called up share capital	11	1,700,000	1,700,000
Profit and loss account	12	<u>2,323,680</u>	<u>2,369,151</u>
<b>Shareholders' funds</b>		<u>4,023,680</u>	<u>4,069,151</u>

The financial statements were approved by the Board of Directors on 22 May 2020 and signed on its behalf by:



MM Kendall

Director

**Charles Kendall Freight Limited**

**Statement of Changes in Equity for the Year Ended 31 December 2019**

	Share capital £	Profit and loss account £	Total £
<b>At 1 January 2018</b>	1,700,000	2,381,248	4,081,248
<b>Changes in equity</b>			
Total comprehensive income	-	(12,097)	(12,097)
<b>At 31 December 2018</b>	1,700,000	2,369,151	4,069,151
<b>Changes in equity</b>			
Total comprehensive income	-	(45,471)	(45,471)
<b>At 31 December 2019</b>	<u>1,700,000</u>	<u>2,323,680</u>	<u>4,023,680</u>

## Charles Kendall Freight Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

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#### 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 22 May 2020. 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 exemption available to it in respect to the presentation of a cash flow statement.

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

##### 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.

## Charles Kendall Freight Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

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#### 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.

##### **Stocks**

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

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

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

##### **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.

## Charles Kendall Freight Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (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.

#### 2 Turnover

Turnover represents the invoiced value of 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:

	2019 £	2018 £
<b>Turnover by activity</b>		
Rendering of services	23,347,545	26,020,672
Interest received	14,162	11,437
	<u>23,361,707</u>	<u>26,032,109</u>
	2019 £	2018 £
<b>Turnover by geographical market</b>		
United Kingdom	14,689,647	14,564,591
Middle East	1,311,537	3,448,690
United States	2,621,408	2,676,991
Asia	3,081,423	2,805,838
Europe	1,392,147	2,137,573
Rest of the World	265,545	398,426
	<u>23,361,707</u>	<u>26,032,109</u>

## Charles Kendall Freight Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 3 Staff costs

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

	2019 Number	2018 Number
International freight forwarders	<u>111</u>	<u>110</u>

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

	2019 £	2018 £
Wages and salaries	3,813,967	4,387,317
Social security costs	384,681	409,139
Other pension costs	<u>306,402</u>	<u>272,615</u>
	<u>4,505,050</u>	<u>5,069,071</u>

#### 4 Directors' remuneration

The Directors' remuneration for the year was as follows:

	2019 £	2018 £
Remuneration	674,415	764,829
Contributions paid to money purchase schemes	<u>46,757</u>	<u>62,245</u>
	<u>721,172</u>	<u>827,074</u>

The remuneration of the highest paid Director was as follows:

	2019 £	2018 £
Salary and taxable benefits	151,124	184,568
Pension contributions to money purchase schemes	<u>7,738</u>	<u>18,900</u>
	<u>158,862</u>	<u>203,468</u>

One Director receives emoluments from several group undertakings, and 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 2019 (continued)

### 5 Operating loss

The operating loss is stated after charging:

	2019 £	2018 £
Operating lease expense - plant and machinery	296,887	213,138
Operating lease expense - property	401,336	463,052
Auditors' remuneration - audit	33,250	33,250
Foreign exchange losses	84,907	54,925

### 6 Taxation

	2019 £	2018 £
<b>Current taxation</b>		
UK corporation tax at 19% (2018 - 19%)	(1,906)	4,566
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	340	358
Adjustments in respect of previous periods	-	34
Total deferred taxation	340	392
Tax (receipt)/expense in the income statement	(1,566)	4,958

During the year beginning 1 January 2020, the net reversal of deferred tax assets and liabilities is expected to increase the corporation tax charge for the year by £261.

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

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:

	2019 £	2018 £
Loss before taxation	(47,037)	(7,139)
Tax on loss at standard UK corporation tax rate of 19% (2018 - 19%)	(8,937)	(1,356)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	7,371	6,280
Adjustments in respect of previous periods	-	34
	(1,566)	4,958

# Charles Kendall Freight Limited

## Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

### 7 Stocks

	2019 £	2018 £
Raw materials and consumables	<u>11,393</u>	<u>13,417</u>

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

### 8 Debtors

	2019 £	2018 £
Trade debtors	8,320,458	16,842,757
Amounts owed by group undertakings	398,123	268,400
Corporation tax	<u>1,906</u>	<u>1,434</u>
Deferred tax assets	1,971	2,311
Other debtors	472,732	448,314
Prepayments and accrued income	<u>519,995</u>	<u>566,852</u>
	<u>9,715,185</u>	<u>18,130,068</u>

	2019 £	2018 £
<b>Deferred tax asset</b>		
Accelerated capital allowances	1,451	1,770
Other timing differences	<u>520</u>	<u>541</u>
	<u>1,971</u>	<u>2,311</u>

<b>Movement during the year:</b>	£
At 1 January 2019	2,311
Debited to profit and loss account (see note 6)	<u>(340)</u>
At 31 December 2019	<u>1,971</u>

### 9 Creditors

	2019 £	2018 £
<b>Due within one year</b>		
Trade creditors	6,471,617	12,549,373
Amounts owed to group undertakings	3,193,965	10,826,014
Accruals and deferred income	<u>8,457</u>	<u>153,196</u>
	<u>9,674,039</u>	<u>23,528,583</u>

# Charles Kendall Freight Limited

## Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

### 10 Obligations under leases and hire purchase contracts

#### Operating leases

At 31 December 2019 the Company had total future minimum rentals payable under non-cancellable operating leases as follows:

	2019 £	2018 £
<b>Buildings:</b>		
Less than one year	456,787	468,259
Between one and five years	1,694,099	1,754,929
Over five years	<u>1,336,692</u>	<u>1,747,983</u>
	<u>3,487,578</u>	<u>3,971,171</u>

### 11 Share capital

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

	2019		2018	
	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>

### 12 Profit and loss account

	£
At 1 January 2019	2,369,151
Loss for the year	<u>(45,471)</u>
At 31 December 2019	<u>2,323,680</u>

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

### 13 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 £306,402 (2018 - £272,615). There were no contributions payable to the plan at the year end.

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

	2019 Number	2018 Number
Money purchase schemes	<u>5</u>	<u>5</u>

## Charles Kendall Freight Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 14 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 £1,127,500 (2018 - £1,127,500). As at 31 December 2019 this facility was used by the Company in respect of performance bonds for duty deferment in the ordinary course of business amounting to £1,127,500 (2018 - £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 (2018 - 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 (2018 - AED 680,000) from the Company.

#### 15 Financial instruments

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

##### Financial assets

	2019 £	2018 £
<b>Measured at undiscounted amount receivable</b>		
Trade and other debtors	9,043,727	17,404,979
<b>Debt instruments measured at amortised cost</b>		
Deposits	147,586	154,492
	<u>9,191,313</u>	<u>17,559,471</u>

##### Financial liabilities

	2019 £	2018 £
<b>Measured at undiscounted amount payable</b>		
Trade and other creditors	<u>9,674,039</u>	<u>23,528,583</u>

The Company's gain in respect of financial assets measured at amortised costs is £109 (2018 - loss £156).

## Charles Kendall Freight Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 16 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	
	2019 Rate	2018 Rate	2019 £	2018 £	2019 £	2018 £
<i>Within 12 months</i>						
Sell \$1,000,000	1.307	-	765,111	-	753,720	-
Sell €500,000	1.137	-	439,754	-	423,101	-
Sell €1,000,000	-	1.111	-	900,472	-	899,212
Buy \$1,000,000	-	1.312	-	(762,412)	-	(780,406)
Sell \$2,000,000	-	1.317	-	1,518,611	-	1,560,807
Sell \$2,000,000	-	1.296	-	1,543,560	-	1,560,069
Sell €500,000	-	1.103	-	453,343	-	449,989

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 gain of £28,043 was recognised as an exchange difference in the profit and loss account for the year (2018 - loss £36,097).

#### 17 Covid-19 pandemic event after the year end

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

#### 18 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