

Registered number  
03670506

Canute Management Services Limited

Consolidated Report and Financial Statements

31 December 2021

**Canute Management Services Limited**  
**Report and accounts**  
**Contents**

	<b>Page</b>
Company information	1
Directors' report	2
Statement of directors' responsibilities	3
Strategic report	4
Independent auditors' report	5
Consolidated Income statement	7
Consolidated Statement of comprehensive income	8
Consolidated and Company Statement of financial position	9
Consolidated Statement of changes in equity	10
Consolidated Statement of cash flows	11
Notes to the financial statements	12

**Canute Management Services Limited**  
**Company Information**

**Directors**

M Eardley

S Pearce

**Secretary**

S Pearce

**Auditors**

Cochrane & Co Accountants Limited

38 Kings Road

Lee-on-the-Solent

Hampshire

PO13 9NU

**Bankers**

National Westminster Bank PLC

129 High Street

Southampton

Hampshire

SO17 1AX

**Registered office**

Canute Chambers

Ocean Way

Ocean Village

Southampton

SO14 3TU

**Registered number**

03670506

## **Canute Management Services Limited**

**Registered number:** 03670506

### **Directors' Report**

The directors present their report and financial statements of the group for the year ended 31 December 2021.

#### **Principal activities**

The group's principal activity during the year continued to be that of the provision of labour and supply of appropriate resources for contract stevedoring, vessel mooring services and shipwright cargo securing.

#### **Future developments**

The group will continue to market its services within the ports of Southampton and London Gateway, also to other UK Ports and their customers.

#### **Employee involvement**

It is the group's policy to consult and discuss with employees, through unions, staff councils and meetings, on matters likely to affect employees' interests.

Managers and HR staff regularly meet with employee representatives and will continue offering support to all employees during the coronavirus crisis.

#### **Financial instrument risk**

The group makes little use of financial instruments other than an operational bank account and so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of assets, liabilities, financial position and profit or loss of the group.

#### **Gender pay reporting**

Gender Pay Gap Reporting is up to date and published on the Group website.

#### **Directors**

The following persons served as directors during the year:

M Eardley

S Pearce

#### **Disclosure of information to auditors**

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the group's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditor is aware of that information.

#### **Third party indemnity provisions**

The group buys directors and officers insurance.

#### **Employment of disabled persons**

The group's policy is to recruit disabled workers for those vacancies that they are able to fill. All

necessary assistance with initial training courses are given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

This report was approved by the board on 26 September 2022 and signed on its behalf.

M Eardley

Director

## **Canute Management Services Limited**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the report and 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 (Financial Reporting Standard 102 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 group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **Canute Management Services Limited**

## **Strategic Report**

This strategic report has been prepared in accordance with the requirements of Section 414 of the Companies Act 2006. Its purpose is to inform members of the group and help them assess how the directors have performed their duties to promote the success of the company in accordance with Section 172 of the Companies Act 2006.

### **Review of business**

2021 has been a period of consolidation and recovery in all divisions, the return of the cruise business has been a welcome boost and employment levels at London Gateway continue to rise. The impact of BREXIT and Russia's invasion of the Ukraine are impacting on operations and volumes, and both remain as areas of concern. Recruitment and retention also remain as areas of concern and is placing upward pressure on wage rates.

### **Financial results**

Profit before tax was £197,090 which compares to a prior year of -£22,091. Share capital and reserves at 31.12.21 were £1,229,258 (2020 £1,305,435).

### **Dividends**

Profit/reserves during 2021 were sufficient enough to consider paying dividends. Dividends were paid at a rate of £20,000 per month.

### **Principal risks and uncertainties**

Brexit has had a significant impact on business expectation as has the war in Ukraine.

The Final Salary Pension is still closed to new members. The Fund remains in surplus.

### **Key performance indicators**

The Group has returned to a gross profit, after suffering a gross loss in 2020 due to the pandemic.

Operating profit has increased from £2,050 in 2020 to £195,498 in 2021.

This report was approved by the board on 26 September 2022 and signed on its behalf.

M Eardley

Director

# **Canute Management Services Limited**

## **Independent auditor's report**

### **to the members of Canute Management Services Limited**

#### **Opinion**

We have audited the financial statements of Canute Management Services Limited for the year ended 31 December 2021 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, The Consolidated and Company Statement of Financial Position, The Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows 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 FRS 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 group's affairs at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis of 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.

#### **Other information**

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and 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 group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below: Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://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 group'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 group'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 group and the group's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanne Cochrane BSc FCA

(Senior Statutory Auditor)

for and on behalf of Cochrane & Co Accountants Limited

Accountants and Statutory Auditors

26 September 2022

38 Kings Road

Lee-on-the-Solent

Hampshire

PO13 9NU

**Canute Management Services Limited**  
**Consolidated Income Statement**  
**for the year ended 31 December 2021**

	Notes	2021 £	2020 £
Turnover	3	24,380,130	20,027,896
Cost of sales		(24,287,733)	(21,540,541)
<b>Gross profit/(loss)</b>		<u>92,397</u>	<u>(1,512,645)</u>
Administrative expenses		(317,631)	(346,061)
Other operating income		420,732	1,860,756
<b>Operating profit</b>	4	<u>195,498</u>	<u>2,050</u>
Share of loss of joint venture		(7,882)	(36,681)
Interest paid		-	(460)
Income from investments		7,474	9,000
Interest receivable pension scheme assets	7	2,000	4,000
<b>Profit/(loss) on ordinary activities before taxation</b>		<u>197,090</u>	<u>(22,091)</u>
Tax on profit/(loss) on ordinary activities	8	(51,265)	(4,556)
<b>Profit/(loss) for the financial year</b>		<u>145,825</u>	<u>(26,647)</u>

**Canute Management Services Limited**  
**Consolidated Statement of comprehensive income**  
**for the year ended 31 December 2021**

	<b>Notes</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
<b>Profit/(loss) for the financial year</b>		145,825	(26,647)
<b>Other comprehensive income</b>			
Actuarial gain/loss recognised in the pension scheme	19	24,000	(28,000)
Deferred taxation arising on the gain/loss	14,19	(6,000)	5,320
<b>Total comprehensive income for the year</b>		<u>163,825</u>	<u>(49,327)</u>

**Canute Management Services Limited**  
**Consolidated and Company Statement of Financial Position**  
**as at 31 December 2021**

			Group		Company	
	Notes		2021	2020	2021	2020
			£	£	£	£
<b>Fixed assets</b>						
Tangible assets	9		10,045	18,442	-	-
Investment in subsidiary	10		-	7,883	1	1
			<u>10,045</u>	<u>26,325</u>	<u>1</u>	<u>1</u>
<b>Current assets</b>						
Stocks	11	2,747	2,314	-	-	
Debtors	12	738,284	492,729	591	591	
Cash at bank and in hand		1,970,782	1,994,069	-	-	
		<u>2,711,813</u>	<u>2,489,112</u>	<u>591</u>	<u>591</u>	
<b>Creditors: amounts falling due within one year</b>						
	13	(1,621,446)	(1,327,276)	-	-	
<b>Net current assets</b>						
			<u>1,090,367</u>	<u>1,161,836</u>	<u>591</u>	<u>591</u>
<b>Total assets less current liabilities</b>						
			<u>1,100,412</u>	<u>1,188,161</u>	<u>592</u>	<u>592</u>
<b>Provisions for liabilities</b>						
Deferred taxation	14	(46,152)	(31,726)	-	-	
Pension scheme assets	15	175,000	149,000	-	-	
		<u>128,848</u>	<u>117,274</u>	<u>-</u>	<u>-</u>	
<b>Net assets</b>						
			<u>1,229,260</u>	<u>1,305,435</u>	<u>592</u>	<u>592</u>
<b>Capital and reserves</b>						
Called up share capital	16	2	2	2	2	
Other reserves	18	200,000	200,000	-	-	
Profit and loss account	19	1,029,258	1,105,433	590	590	
<b>Total equity</b>						
			<u>1,229,260</u>	<u>1,305,435</u>	<u>592</u>	<u>592</u>

M Eardley

Director

Approved by the board on 26 September 2022

**Canute Management Services Limited**  
**Consolidated Statement of Changes in Equity**  
**for the year ended 31 December 2021**

	Share capital	Share premium	Other reserves	Profit and loss account	Total
	£	£	£	£	£
<b>At 1 January 2020</b>	2	-	200,000	1,418,760	1,618,762
Profit for the financial year				(26,647)	(26,647)
Dividends				(264,000)	(264,000)
Total comprehensive income	-	-		(22,680)	(22,680)
<b>At 31 December 2020</b>	<u>2</u>	<u>-</u>	<u>200,000</u>	<u>1,105,433</u>	<u>1,305,435</u>
<b>At 1 January 2021</b>	2	-	200,000	1,105,433	1,305,435
Profit for the financial year				145,825	145,825
Dividends				(240,000)	(240,000)
Total comprehensive income	-	-		18,000	18,000
<b>At 31 December 2021</b>	<u>2</u>	<u>-</u>	<u>200,000</u>	<u>1,029,258</u>	<u>1,229,260</u>

**Canute Management Services Limited**  
**Consolidated Statement of Cash Flows**  
**for the year ended 31 December 2021**

	Notes	2021 £	2020 £
<b>Operating activities</b>			
Profit for the financial year		195,498	2,050
Adjustments for:			
Loss on sale of fixed assets		7,882	36,681
Depreciation		8,397	25,582
(Increase)/decrease in stocks		(433)	515
(Increase)/decrease in debtors		(245,555)	917,614
Increase in creditors		262,453	452,321
Difference between pension charge and cash contribution		(2,000)	9,000
		<u>30,744</u>	<u>1,405,032</u>
Dividends received		7,474	9,000
Interest paid		-	(460)
Interest received		2,000	4,000
Corporation tax paid		(11,121)	(58,258)
Cash generated by operating activities		<u>224,595</u>	<u>1,361,364</u>
<b>Financing activities</b>			
Equity dividends paid		(240,000)	(264,000)
Cash used in financing activities		<u>(240,000)</u>	<u>(264,000)</u>
<b>Net cash (used)/generated</b>			
Cash generated by operating activities		224,595	1,361,364
Cash used in financing activities		(240,000)	(264,000)
Net cash (used)/generated		<u>(15,405)</u>	<u>1,097,364</u>
Cash and cash equivalents at 1 January		<u>1,994,069</u>	<u>896,705</u>
Cash and cash equivalents at 31 December		<u>1,970,782</u>	<u>1,994,069</u>
Cash and cash equivalents comprise:			
Cash at bank		<u>1,970,782</u>	<u>1,994,069</u>

# **Canute Management Services Limited**

## **Notes to the Accounts**

**for the year ended 31 December 2021**

### **1 Summary of significant accounting policies**

#### ***Basis of preparation***

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The group financial statements consolidate the financial statements of the company and its subsidiary, South Coast Port Services Limited. The group financial statements have been prepared in accordance with the principles of merger accounting as all criteria in the Companies Act 2006 and FRS 102 are met. The company has taken advantage of the provisions of section 408 of the Companies Act 2006 to omit its own profit and loss account.

Entities in which the group holds an interest which are jointly controlled by the group are treated as joint ventures. In the group financial statements joint ventures are accounted for using the equity method.

#### ***Turnover***

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised when services have been performed.

#### ***Going concern***

The group meets its day to day working capital requirements through its cash holdings. The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Despite the uncertainty of Brexit and the Coronavirus pandemic, the directors feel that the group's resources will allow them to adapt to changes readily. Accordingly, the financial statements have been prepared on a going concern basis.

#### ***Tangible fixed assets***

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Motor vehicles	25% straight line
Fixtures and fittings	20% straight line
Plant and machinery	20% - 25% straight line
Launches (included in Plant and machinery)	20% straight line

#### ***Investments***

Investments in jointly controlled entities are initially measured at cost and reviewed subsequently for impairment.

#### ***Stocks***



Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

### ***Debtors***

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

### ***Creditors***

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

### ***Taxation***

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that 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 difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

### ***Leased assets***

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

### ***Pensions***

The group operates defined contribution pension schemes. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes.

The group also operates a defined benefit pension scheme for employees. A full actuarial valuation by a professionally qualified actuary is carried out every 3 years. The surplus/deficit in the scheme is recognised as an asset/liability on the balance sheet. Changes in the asset/liability are written off in the profit and loss account or statement of total recognised gains and losses as appropriate. The assets of the scheme are held separately from those of the company. The contributions to the scheme are charged to the profit and loss account so as to spread the cost of the pensions over the service lives of the employees. Variations from the regular costs are spread over the average expected remaining working lives of the current

m e m b e r s                      o f                      t h e                      s c h e m e .

The increase in the present value of the liabilities of the defined benefit scheme expected to arise from employee service in the period is charged to the operating profit. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities arising from the passage of time are included in the other finance income. Actuarial gains and losses are recognised in the statement of comprehensive income.

## 2 Critical accounting estimates and judgements

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily available from other sources. These estimates and underlying assumptions are based on historical experience and other factors considered relevant. Actual results may differ from these estimates.

3	Analysis of turnover	2021	2020
		£	£
	Services rendered	24,380,130	20,027,896
	By geographical market:		
	UK	24,380,130	20,027,896

4	Operating profit	2021	2020
		£	£
	This is stated after charging:		
	Depreciation of owned fixed assets	8,397	25,582
	Operating lease rentals - plant and machinery	-	280
	Operating lease rentals - land and buildings	62,630	59,972
	Auditors' remuneration for audit services	7,270	7,060
	Carrying amount of stock sold	27,452	15,333

5	Directors' emoluments	2021	2020
		£	£
	Emoluments	22,190	22,190

Number of directors to whom retirement benefits accrued:	2021	2020
	Number	Number
Defined contribution plans	2	2
Defined benefit plans	2	2

	2021	2020
	£	£

Wages and salaries	21,078,626	18,945,075
Social security costs	2,033,707	1,754,648
Other pension costs	377,721	343,594
	<u>23,490,054</u>	<u>21,043,317</u>

Average number of employees during the year	Number	Number
Administration	27	21
Distribution	458	672
	<u>485</u>	<u>693</u>

7 Other financial income	2021	2020
	£	£
Expected return on pension scheme assets	(37,000)	(53,000)
Interest on pension scheme liabilities	35,000	49,000
	<u>(2,000)</u>	<u>(4,000)</u>

8 Taxation	2021	2020
	£	£
<b>Analysis of charge in period</b>		
Current tax:		
UK corporation tax on profits of the period	<u>42,839</u>	<u>11,121</u>
Deferred tax:		
Origination and reversal of timing differences	<u>8,426</u>	<u>(6,565)</u>
Tax on profit on ordinary activities	<u>51,265</u>	<u>4,556</u>

#### Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2021	2020
	£	£
Profit/(loss) on ordinary activities before tax	197,090	(22,091)
Share of loss of joint venture	<u>7,882</u>	<u>36,681</u>
	<u>204,972</u>	<u>14,590</u>
Standard rate of corporation tax in the UK	19%	19%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	38,945	2,772
Effects of:		
Expenses not deductible for tax purposes	2,304	3,494

Capital allowances for period in excess of depreciation	1,590	4,855
Current tax charge for period	<u>42,839</u>	<u>11,121</u>

## 9 Tangible fixed assets

	<b>Plant and machinery</b>
	<i>At cost</i>
	£
<b>Cost or valuation</b>	
At 1 January 2021	431,862
At 31 December 2021	<u>431,862</u>
<b>Depreciation</b>	
At 1 January 2021	413,420
Charge for the year	8,397
At 31 December 2021	<u>421,817</u>
<b>Carrying amount</b>	
At 31 December 2021	<u>10,045</u>
At 31 December 2020	<u>18,442</u>

<b>10 Investments</b>	<b>2021</b>	<b>2020</b>
	£	£
Investment in joint venture	<u>-</u>	<u>7,883</u>

No commitments on behalf of the joint venture, have been entered into.

The company holds 20% or more of the share capital of the following companies:

<b>Company</b>	<b>Shares held</b>		<b>Capital and reserves</b>	<b>Profit (loss) for the year</b>
	<b>Class</b>	<b>%</b>	£	£
United Stevedores Ltd	Ordinary	50	-	(815)

The registered office is Canute Chambers, Ocean Way, Ocean Village, Southampton SO14 3TU.

<b>11 Stocks</b>	<b>2021</b>	<b>2020</b>
	£	£
Finished goods and goods for resale	<u>2,747</u>	<u>2,314</u>

	<b>Group</b>		<b>Company</b>
<b>12 Debtors</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>
	£	£	£
Trade debtors	632,819	292,981	-
Prepayments and accrued income	<u>105,465</u>	<u>199,748</u>	591

738,284	492,729	591
---------	---------	-----

### 13 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	33,712	16,228
Corporation tax	42,839	11,121
Other taxes and social security costs	774,121	737,499
Other creditors	755,126	490,482
Accruals and deferred income	15,648	71,946
	<u>1,621,446</u>	<u>1,327,276</u>

### 14 Deferred taxation

	2021	2020
	£	£
Accelerated capital allowances	<u>46,152</u>	<u>31,726</u>

	2021	2020
	£	£
At 1 January	31,726	43,611
Charged/(credited) to the profit and loss account	8,426	(6,565)
Charged/(credited) to other comprehensive income	6,000	(5,320)
At 31 December	<u>46,152</u>	<u>31,726</u>

### 15 Pension scheme (assets)/liabilities

	Pension scheme (assets)/liabilities
	£
At 1 January 2021	(149,000)
Defined benefit cost	4,000
Employer contributions	(30,000)
At 31 December 2021	<u>(175,000)</u>

### 16 Share capital

	Nominal value	2021 Number	2021 £	2020 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	2	<u>2</u>	<u>2</u>

### 17 Pension reserve

	2021	2020
	£	£
At 1 January	149,000	186,000
Movement on pension reserve	26,000	(37,000)

At 31 December	<u>175,000</u>	<u>149,000</u>
----------------	----------------	----------------

The note reflects the actuarial valuation of the pension scheme at each year end, it excludes deferred tax. The pension reserve is incorporated within the profit and loss account reserve in accordance with FRS 102. The impact of FRS 102 is to show the provision gross, whereas it previously was shown net of deferred tax. Related deferred tax is now included in the deferred tax provision.

<b>18 Other reserves</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Revaluation reserve		
At 1 January	200,000	200,000
At 31 December	<u>200,000</u>	<u>200,000</u>

<b>19 Profit and loss account</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
At 1 January	1,105,433	1,418,760
Profit/(loss) for the financial year	145,825	(26,647)
Dividends	(240,000)	(264,000)
Other gains and recognised losses	18,000	(22,680)
At 31 December	<u>1,029,258</u>	<u>1,105,433</u>

<b>20 Dividends</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Dividends on ordinary shares (note 19)	<u>240,000</u>	<u>264,000</u>
Dividends proposed after the reporting date	<u>160,000</u>	<u>180,000</u>

## 21 Defined benefit pension plans

The group operates several schemes including defined contribution schemes and a defined benefit scheme. The assets in the defined contribution schemes are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

The defined benefit pension scheme provides benefits based on final pensionable pay. The assets of the scheme are held separately from those of the group, being invested with an insurance company. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of the pensions over the employees working lives with the group. Contributions are accounted for on an accruals basis. Contributions are credited to a capital account. The capital account is credited annually at 31 March with additional cash amounts, which reflect the investment experience and investment charges over the year. At the beginning of each year a minimum rate of growth is guaranteed for the capital account for the forthcoming year.

Investments purchased by the scheme are allocated to provide benefits to the individuals on whose behalf the corresponding contributions are paid. Accordingly the assets identified as

designated to members in the net asset statement do not form a common pool of assets available for members generally. Members each receive an annual statement confirming the contributions paid on their behalf and the value of the money purchase rights. The pension scheme invests in wholly insured managed funds with an insurance company to achieve maximum return compatible with security of capital.

The pension charge for the year for all pension schemes was £377,721 (2020 £330,594). The contributions that were included in other creditors at the year end were £50,978 (2020 £32,112).

All costs of the scheme are met by the scheme excluding the costs of auditing the scheme and the pension levy which are met by the group. The costs are not offset by the surplus above. FRS102 requires that at each year end the pension scheme actuary should review their most recent actuarial valuation and update it to reflect current conditions.

FRS 102 further requires that certain disclosures are given in the financial statements based on results of that year end review. These include details of actuarial assumptions, expected returns on scheme assets, components of the defined benefit cost, fair value of the schemes assets and present value of the schemes liabilities.

The latest full actuarial report is dated 1 April 2021. This valuation has been updated to 31 December 2021 on an approximate valuation basis, as permitted by FRS 102 and all relevant disclosures are included.

Contributions are paid into the scheme by both the employer and employee members. The contribution rate of the employees is 5%. The employer paid at a rate of 25%. Lump sum payments are no longer being made.

The main financial assumptions used in valuing the liabilities of the scheme were as follows;

	<b>31 Dec 21</b>	<b>31 Dec 20</b>	<b>31 Dec 19</b>
	<b>% a year</b>	<b>% a year</b>	<b>% a year</b>
Discount rate	2.1	1.4	2.0
Retail Price Inflation	3.6	3.1	3.2
Salary Growth	3.6	3.1	3.2

The valuations of the scheme were as follows;

	<b>31 Dec 21</b>	<b>31 Dec 20</b>	<b>31 Dec 19</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Value of scheme liabilities	2,210,000	2,490,000	2,156,000
Value of scheme assets	2,978,000	2,639,000	2,647,000
Surplus/(deficit) in scheme	768,000	149,000	491,000
Effect of asset ceiling	593,000	0	-305,000
Net asset/(liability)	175,000	149,000	186,000

Change in defined benefit obligation

Defined benefit obligation at start of the period	2,490,000	2,156,000
Current and past service cost	30,000	48,000
Interest expense	35,000	43,000
Remeasurement arising from changes in assumptions	-137,000	215,000
Remeasurement arising from experience	-158,000	80,000
Actual employee contributions	6,000	7,000

Benefits paid	-56,000	-59,000
Defined benefit obligation at end of period	<u>2,210,000</u>	<u>2,490,000</u>

Change in plan assets

Assets at start of period	2,639,000	2,647,000
Interest income	37,000	53,000
Actual return on plan assets, excluding interest income	322,000	-44,000
Employer contributions	30,000	35,000
Employee contributions	6,000	7,000
Benefits paid	-56,000	-59,000
Assets at end of period	<u>2,978,000</u>	<u>2,639,000</u>

Asset class split at year end

Equities	65%	60%
Property	12%	13%
Corporate bonds	15%	12%
Gilts	1%	9%
Cash	7%	6%
	<u>100%</u>	<u>100%</u>

Mortality assumption

Life expectancy (in years) of member retiring at 65 now

	Male	Female
2020	21.1	23.4
2021	21.0	23.4

Life expectancy (in years) of a member retiring at age 65 in 20 years time

	Male	Female
2020	22.4	24.8
2021	22.3	24.8

Prior year history of valuations	<b>31 Dec 18</b>	<b>31 Dec 17</b>	<b>31 Dec 16</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Value of scheme liabilities	2,203,000	2,343,000	2,168,000
Value of scheme assets	2,400,000	2,569,000	2,371,000
Surplus/(deficit) in scheme	<u>197,000</u>	<u>226,000</u>	<u>203,000</u>
Effect asset ceiling	-10,000	-5,000	0
Net asset	<u>187,000</u>	<u>221,000</u>	<u>203,000</u>

Pension expense

Analysis of the amount charged to operating profit

	<b>31 Dec 21</b>	<b>31 Dec 20</b>
	<b>£</b>	<b>£</b>
Current and past service cost	30,000	48,000
Total operating charge	<u>30,000</u>	<u>48,000</u>



Analysis of the amount credited  
to other financial income

	31 Dec 21	31 Dec20
	£	£
Expected return on pension scheme assets	37,000	53,000
Interest on pension scheme liabilities	-35,000	-49,000
Net interest on the net defined benefit liability/(asset)	2,000	4,000

Defined benefit cost

	31 Dec 21	31 Dec20
	£	£
Current and past service cost	30,000	48,000
Net interest on the net defined benefit liability/(asset)	-2,000	-4,000
Total recognised in profit or loss	28,000	44,000
Remeasurements recognised in Other Comprehensive Income	-24,000	28,000
Defined benefit cost	4,000	72,000

	31 Dec 21	31 Dec 20
	£	£
Remeasurement of defined benefit obligation	-295,000	295,000
Return on plan assets, excluding amounts included in net interest on the net defined benefit asset	-322,000	44,000
Change in effect of asset ceiling, excluding amounts included in net interest on the recognised defined benefit asset	593,000	-311,000
Total recognised in other Comprehensive Income	-24,000	28,000

	31 Dec 21	31 Dec 20
Analysis of the change in the effect of the asset ceiling		
Effect of asset ceiling at the beginning of the period	0	305,000
Interest on the effect of asset ceiling	0	6,000
Change in effect of asset ceiling, excluding interest	593,000	-311,000
Effect of asset ceiling at end of period	593,000	0

Change in net defined benefit asset

31 Dec 21	31 Dec 20
£	£

Net defined benefit (asset) at start of period	-149,000	-186,000
Defined benefit cost	4,000	72,000
Employer contributions	-30,000	-35,000
Net defined benefit (asset) at end of period	<u>-175,000</u>	<u>-149,000</u>

#### Estimated employer contributions

Based on the current schedule of contributions the employer is due to pay contributions, on a monthly basis, at the rate of 25% pa of the pensionable salary. Contributions circa £31,000 are expected in the year to 31 December 2022. The Directors have held discussions with the Scheme Actuary regarding GMP Equalisation and have concluded that they do not believe that there has been any loss to members.

## 22 Other financial commitments

Total future minimum lease payments under non-cancellable operating leases:

	Land and buildings 2021 £	Land and buildings 2020 £	Other 2021 £	Other 2020 £
Falling due: in over five years	<u>736,355</u>	<u>823,318</u>	<u>-</u>	<u>-</u>

## 23 Related party transactions

	31 Dec 21	31 Dec 20
Amount due from (to) related parties	(33,853)	(93,549)
	<u>(33,853)</u>	<u>(93,549)</u>

The above amounts are interest free and are repayable on demand.

United Stevedores Limited is a joint venture between South Coast Port Services Limited and Solent Stevedores Limited. Due to the presence of the joint venture, it is felt that Solent Stevedores Limited is a related party.

During the year there were sales to Solent Stevedores Limited of £1,606,466 (2020 £79,348). At the year end South Coast Port Services Limited was owed £190,321 (2020 £38,445) by Solent Stevedores Limited.

## 24 Controlling party

Canute Management Services Limited is controlled by it's directors.

## 25 Presentation currency

The financial statements are presented in Sterling.

## **26 Legal form of entity and country of incorporation**

Canute Management Services Limited is a private company limited by shares and incorporated in England.

## **27 Principal place of business**

The address of the group's principal place of business and registered office is:

Canute Chambers  
Ocean Way  
Ocean Village  
Southampton  
SO14 3TU

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.