

REGISTERED NUMBER 00540121 (England and Wales)

**Report of the Directors and  
Financial Statements for the Year Ended 31 December 2012  
for  
Charles Kendall Freight Limited**



**Contents of the Financial Statements  
for the Year Ended 31 December 2012**

---

|                                           | <b>Page</b> |
|-------------------------------------------|-------------|
| <b>Company Information</b>                | <b>1</b>    |
| <b>Report of the Directors</b>            | <b>2</b>    |
| <b>Report of the Independent Auditors</b> | <b>5</b>    |
| <b>Profit and Loss Account</b>            | <b>7</b>    |
| <b>Balance Sheet</b>                      | <b>8</b>    |
| <b>Notes to the Financial Statements</b>  | <b>9</b>    |

**Charles Kendall Freight Limited**

**Company Information  
for the Year Ended 31 December 2012**

---

**DIRECTORS**

JM Kendall  
MM Kendall  
P Sunderland  
GP Mitchell  
SM Harris  
IG Jenkins  
M Frew

**SECRETARY:**

GP Mitchell

**REGISTERED OFFICE:**

7 Albert Court  
Prince Consort Road  
London  
SW7 2BJ

**REGISTERED NUMBER:**

00540121 (England and Wales)

**SENIOR STATUTORY AUDITOR** Christopher Baxter FCA

**AUDITORS**

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

**Report of the Directors  
for the Year Ended 31 December 2012**

---

The directors present their report with the financial statements of the company for the year ended 31 December 2012

**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, the Middle East, and the Far 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.

**REVIEW OF BUSINESS**

This Business Review presents an assessment of the development and performance of the company's business during 2012 and its position at the year end. The Business Review takes account of the non-complex nature of the business and the risks and uncertainties that the Company faces.

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 2012 and 2011.

|                                 | 2012<br>£  | 2011<br>£  | %<br>increase/<br>(decrease) |
|---------------------------------|------------|------------|------------------------------|
| Turnover                        | 21,964,216 | 19,139,154 | 14%                          |
| Gross profit                    | 5,996,769  | 5,440,962  | 11%                          |
| Gross profit percentage         | 27%        | 28%        |                              |
| Net assets/ shareholders' funds | 3,056,272  | 2,687,131  | 14%                          |

The company had a strong 2012 and was able to increase its turnover by some 14% over 2011 and maintain its gross margin percentage at 28%. In 2012 the company commenced a new European VAT and duty clearance service for a major international client. Although the impact of this new work on the company's turnover and gross margin was low, this work 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 report a good improvement in this measure over the level reported for 2011. This, together with the net cash resources at its disposal, helped the Company end 2012 in a stronger financial position.

Looking forward to 2013, 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, 2013 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.

**DIVIDENDS**

The directors do not recommend the payment of a dividend for the year ended 31 December 2012 (2011 - £nil).

**Report of the Directors  
for the Year Ended 31 December 2012**

---

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2012 to the date of this report

JM Kendall  
MM Kendall  
P Sunderland  
GP Mitchell  
SM Harris  
IG Jenkins  
M Frew

**POLITICAL AND CHARITABLE CONTRIBUTIONS**

During the year, the company made no political donations but made charitable donations totalling £255 (2011 - £794) principally to local charities serving the communities in which the company operates

**DIRECTORS' INSURANCE**

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 Report of the Directors and the financial statements in accordance with applicable law and regulations

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

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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

**Report of the Directors  
for the Year Ended 31 December 2012**

---

**DISCLOSURE OF INFORMATION TO 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 a result of these discussions, as far as each of the directors who held office at 6 June 2013 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

**THIS REPORT WAS APPROVED BY THE BOARD**

  
GRI Mitchell - Secretary

6 June 2013

## **Report of the Independent Auditors to the Members of Charles Kendall Freight Limited**

---

We have audited the financial statements of Charles Kendall Freight Limited for the year ended 31 December 2012 on pages seven to fifteen. 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 a Report of the Auditors 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 auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 Ethical Standards for Auditors.

### **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 Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on 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 2012 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

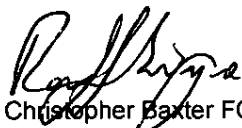
**Report of the Independent Auditors to the Members of  
Charles Kendall Freight Limited**

---

**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



Christopher Baxter FCA (Senior Statutory Auditor)

for and on behalf of Roffe Swayne

Statutory Auditors & Chartered Accountants

Ashcombe Court

Woolsack Way

Godalming

Surrey

GU7 1LQ

6 June 2013

**Charles Kendall Freight Limited (Registered number 00540121)**

**Profit and Loss Account  
for the Year Ended 31 December 2012**

|                                                          | Notes | 2012<br>£    | 2011<br>£    |
|----------------------------------------------------------|-------|--------------|--------------|
| <b>TURNOVER</b>                                          | 2     | 21,964,216   | 19,139,154   |
| Cost of sales                                            |       | (15,967,447) | (13,698,192) |
| <b>GROSS PROFIT</b>                                      |       | 5,996,769    | 5,440,962    |
| Administrative expenses                                  |       | (6,391,399)  | (5,809,362)  |
|                                                          |       | (394,630)    | (368,400)    |
| Other operating income                                   |       | 892,766      | 812,763      |
| <b>OPERATING PROFIT</b>                                  | 5     | 498,136      | 444,363      |
| Interest receivable and similar income                   |       | 704          | 169          |
|                                                          |       | 498,840      | 444,532      |
| Interest payable and similar charges                     | 6     | (457)        | (10)         |
| <b>PROFIT ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b> |       | 498,383      | 444,522      |
| Tax on profit on ordinary activities                     | 7     | (129,242)    | (124,048)    |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>                     |       | 369,141      | 320,474      |

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous year

**Charles Kendall Freight Limited (Registered number: 00540121)**

**Balance Sheet**  
**31 December 2012**

|                                              |       | 2012<br>£         | 2011<br>£         |
|----------------------------------------------|-------|-------------------|-------------------|
| <b>CURRENT ASSETS</b>                        | Notes |                   |                   |
| Debtors                                      | 8     | 21,026,083        | 11,480,323        |
| Cash at bank                                 |       | 3,672,562         | 1,364,980         |
|                                              |       | <u>24,698,645</u> | <u>12,845,303</u> |
| <b>CREDITORS</b>                             |       |                   |                   |
| Amounts falling due within one year          | 9     | 21,642,373        | 10,158,172        |
|                                              |       | <u>21,642,373</u> | <u>10,158,172</u> |
| <b>NET CURRENT ASSETS</b>                    |       | <u>3,056,272</u>  | <u>2,687,131</u>  |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | <u>3,056,272</u>  | <u>2,687,131</u>  |
| <b>CAPITAL AND RESERVES</b>                  |       |                   |                   |
| Called up share capital                      | 12    | 1,700,000         | 1,700,000         |
| Profit and loss account                      | 13    | 1,356,272         | 987,131           |
|                                              |       | <u>3,056,272</u>  | <u>2,687,131</u>  |
| <b>SHAREHOLDERS' FUNDS</b>                   | 17    | <u>3,056,272</u>  | <u>2,687,131</u>  |

The financial statements were approved by the Board of Directors on 6 June 2013 and were signed on its behalf by



MM Kendall - Director

**Notes to the Financial Statements  
for the Year Ended 31 December 2012**

---

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. The accounting policies have been applied consistently throughout the year and the preceding year.

**Cash flow exemption**

As a wholly owned subsidiary, the company is taking advantage of the exemption, under FRS 1 (revised) Cash Flow Statements, from preparing a cash flow statement since its results are included in the published consolidated financial statements of Charles Kendall Group Limited, the ultimate parent undertaking.

**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.

**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 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 net 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.

**Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. 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 or, if appropriate, at the forward contract rate.

**Operating leases**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2012**

**1 ACCOUNTING POLICIES - continued**

**Pensions**

The group, of which the company is a subsidiary undertaking, operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

**Related party**

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 FRS 8 Related Party Disclosure, from making further disclosure of transactions with Charles Kendall Group Limited, and its fellow subsidiary undertakings.

**2 TURNOVER**

Turnover represents the invoiced value of services sold to third parties excluding import duty and value added tax and relates wholly to the principal activity. An analysis of turnover by geographical market is as follows:

|                   | 2012<br>£         | 2011<br>£         |
|-------------------|-------------------|-------------------|
| United Kingdom    | 12,598,752        | 11,310,440        |
| Middle East       | 5,595,074         | 3,013,552         |
| North America     | 2,139,460         | 3,454,150         |
| Asia              | 827,519           | 480,418           |
| Europe            | 580,145           | 633,595           |
| Rest of the World | 223,266           | 246,999           |
|                   | <u>21,964,216</u> | <u>19,139,154</u> |

**3 STAFF COSTS**

**(1) Number of employees**

The average weekly number of persons, including directors, employed by the company during the year was:

|                                  | 2012<br>Number | 2011<br>Number |
|----------------------------------|----------------|----------------|
| International freight forwarders | <u>105</u>     | <u>100</u>     |

**(2) Staff costs**

|                     | £                | £                |
|---------------------|------------------|------------------|
| Wages and salaries  | 3,178,396        | 2,879,342        |
| Social security     | 326,210          | 286,384          |
| Other pension costs | 183,779          | 161,777          |
|                     | <u>3,688,385</u> | <u>3,327,503</u> |

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2012**

**4 DIRECTORS' EMOLUMENTS**

|                                                            | 2012    | 2011    |
|------------------------------------------------------------|---------|---------|
|                                                            | £       | £       |
| Directors' remuneration                                    | 519,377 | 454,324 |
| Directors' pension contributions to money purchase schemes | 37,405  | 39,845  |

Information regarding the highest paid director is as follows

|                                                 | 2012    | 2011    |
|-------------------------------------------------|---------|---------|
|                                                 | £       | £       |
| Emoluments etc                                  | 185,408 | 168,350 |
| Pension contributions to money purchase schemes | 16,345  | 15,120  |

Three of the directors are employed by a fellow subsidiary undertaking in which the full cost of their remuneration is disclosed. It is not practicable to allocate the directors' remuneration between group companies.

**5 OPERATING PROFIT**

The operating profit is stated after charging/(crediting)

|                                | 2012     | 2011     |
|--------------------------------|----------|----------|
|                                | £        | £        |
| Operating lease rentals        |          |          |
| - plant and equipment          | 159,274  | 180,746  |
| Operating lease rentals        |          |          |
| - buildings                    | 380,945  | 376,641  |
| Auditors' remuneration - audit | 23,890   | 21,250   |
| Other auditors                 | -        | 150      |
| Foreign exchange differences   | (82,284) | (50,522) |

**6 INTEREST PAYABLE AND SIMILAR CHARGES**

|                     | 2012 | 2011 |
|---------------------|------|------|
|                     | £    | £    |
| Bank interest paid  | 78   | 10   |
| Other interest paid | 379  | -    |
|                     | 457  | 10   |

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2012**

**7 TAXATION**

|                                            | 2012<br>£      | 2011<br>£      |
|--------------------------------------------|----------------|----------------|
| <b>Current tax</b>                         |                |                |
| UK corporation tax at 24% (2011 - 26%)     | 126,237        | 123,326        |
| Adjustments in respect of previous periods | (1)            | -              |
|                                            | <u>126,236</u> | <u>123,326</u> |
| <b>Deferred tax</b>                        |                |                |
| Other timing differences                   | (156)          | (98)           |
| Adjustments in respect of previous periods | 3,162          | 820            |
|                                            | <u>3,006</u>   | <u>722</u>     |
| <b>Total</b>                               | <u>129,242</u> | <u>124,048</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

|                                                                                              | 2012<br>£      | 2011<br>£      |
|----------------------------------------------------------------------------------------------|----------------|----------------|
| Profit on ordinary activities before taxation                                                | 498,383        | 444,522        |
| Tax on profit on ordinary activities at standard UK corporation tax rate of 24% (2011 - 26%) | 122,090        | 117,768        |
| Effects of                                                                                   |                |                |
| Origination and reversal of timing differences                                               | 156            | 98             |
| Expenses not deductible for tax purposes                                                     | 3,991          | 5,460          |
| Adjustments in respect of previous periods                                                   | (1)            | -              |
|                                                                                              | <u>126,236</u> | <u>123,326</u> |

**8 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                    | 2012<br>£         | 2011<br>£         |
|------------------------------------|-------------------|-------------------|
| Trade debtors                      | 19,640,430        | 10,146,360        |
| Amounts owed by group undertakings | 831,675           | 933,622           |
| Other debtors                      | 283,368           | 264,699           |
| Deferred tax asset                 | 4,594             | 7,600             |
| Prepayments and accrued income     | 266,016           | 128,042           |
|                                    | <u>21,026,083</u> | <u>11,480,323</u> |

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2012**

**8 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR - continued**

**DEFERRED TAX ASSET**

|                                    | 2012              | 2011              |
|------------------------------------|-------------------|-------------------|
|                                    | £                 | £                 |
| Deferred tax                       |                   |                   |
| Accelerated capital allowances     | 4,594             | 7,600             |
|                                    | <u>          </u> | <u>          </u> |
| <b>Movement during the year</b>    |                   | £                 |
| At 1 January 2012                  |                   | 7,600             |
| Debited to profit and loss account |                   | (3,006)           |
|                                    |                   | <u>          </u> |
| At 31 December 2012                |                   | 4,594             |
|                                    |                   | <u>          </u> |

**9 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                         | 2012              | 2011              |
|-----------------------------------------|-------------------|-------------------|
|                                         | £                 | £                 |
| Bank loans and overdrafts (see note 10) | -                 | 724               |
| Trade creditors                         | 11,411,410        | 9,766,389         |
| Amounts owed to group undertakings      | 9,939,777         | 223,843           |
| Corporation tax                         | 83,237            | 70,326            |
| Other creditors                         | 171,395           | 86,790            |
| Accruals and deferred income            | 36,554            | 10,100            |
|                                         | <u>21,642,373</u> | <u>10,158,172</u> |

**10 LOANS**

An analysis of the maturity of loans is given below

|                                                  | 2012              | 2011              |
|--------------------------------------------------|-------------------|-------------------|
|                                                  | £                 | £                 |
| Amounts falling due within one year or on demand |                   |                   |
| Bank overdrafts                                  | -                 | 724               |
|                                                  | <u>          </u> | <u>          </u> |

**11 OPERATING LEASE COMMITMENTS**

At 31 December 2012 the company had annual commitments under non-cancellable operating leases which expire as follows

|                            | 2012              | 2011              |
|----------------------------|-------------------|-------------------|
|                            | £                 | £                 |
| <b>Buildings</b>           |                   |                   |
| Between one and five years | 15,444            | 59,500            |
| In over five years         | 35,000            | -                 |
|                            | <u>          </u> | <u>          </u> |

**12 CALLED UP SHARE CAPITAL**

|                                                            | 2012             |                  | 2011             |                  |
|------------------------------------------------------------|------------------|------------------|------------------|------------------|
|                                                            | Number           | £                | Number           | £                |
| Allotted, issued and fully paid 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> |

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2012

13 RESERVES

|                     | Profit<br>and loss<br>account<br>£ |
|---------------------|------------------------------------|
| At 1 January 2012   | 987,131                            |
| Profit for the year | 369,141                            |
| At 31 December 2012 | <u>1,356,272</u>                   |

14 PENSION COMMITMENTS

The group, of which the company is a subsidiary undertaking, operates a defined contribution pension scheme. The assets of these schemes are held separately from those of the group in independently administered funds. Contributions payable by the company to the funds amounted to £183,779 (2011 - £161,777). There were no contributions payable to the plan at the year end.

The number of directors to whom retirement benefits were accruing was as follows

|                        | 2012<br>Number | 2011<br>Number |
|------------------------|----------------|----------------|
| Money purchase schemes | <u>5</u>       | <u>5</u>       |

15 ULTIMATE PARENT COMPANY

The directors regard Charles Kendall Group Limited, a company registered in England and Wales, as the company's ultimate parent undertaking.

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

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2012**

---

**16 CONTINGENT LIABILITIES**

The company's parent undertaking has obtained banking facilities for the company by providing cross-guarantees to its bank, amounting to £750,000 (2011 - £750,000)

At the year end the company had a bonds and guarantees facility with one bank amounting to £700,000 (2011 - £450,000) As at 31 December 2012 this facility was used by the company in respect of performance bonds for duty deferment in the ordinary course of business amounting to £477,000 (2011 - £427,000)

At the year end the company had utilised €120,000 of a €750,000 bonds facility provided by another bank to a fellow subsidiary undertaking

In addition, the company also has an AED 680,000 (2011 - AED 1,100,000) local custom bond banking facility in Dubai to cover duty deferment obligations in the ordinary course of business in that territory This facility is supported by a cash deposit of AED 680,000 (2011 - AED 1,100,000) from the company

**17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

|                                            | 2012<br>£        | 2011<br>£        |
|--------------------------------------------|------------------|------------------|
| Profit for the financial year              | 369,141          | 320,474          |
| <b>Net addition to shareholders' funds</b> | <b>369,141</b>   | <b>320,474</b>   |
| Opening shareholders' funds                | 2,687,131        | 2,366,657        |
| <b>Closing shareholders' funds</b>         | <b>3,056,272</b> | <b>2,687,131</b> |