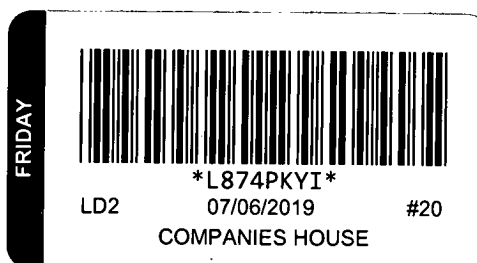


**Company Registration Number : 01662682**

**MAERSK CREWING LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 December 2018**



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## STRATEGIC REPORT

The Directors present their Annual Report together with the audited financial statements for the year ended 31 December 2018.

### Review of the business

The principal activity of the Company continues to be ship manning agents. The Directors consider that the Company's activities will continue for the foreseeable future.

The performance for the year shows a profit of £18,907 (2017: £45,632). The decrease in profit is primarily from a fall in interest income due to a lower cash balance being held throughout 2018.

At the end of the year the Company had total equity of £398,090 (2017: £379,183).

Total assets are £472,861 (2017: £522,779) of which cash and cash equivalents are £142,210 (2017: £454,638).

### Principal risks and uncertainties

The Company actively reviews and manages risk. The principal risks and uncertainties of the Company are ultimately aligned with those of the global shipping industry. However as the Company's activities are entirely within the Maersk group the exposure to external market risk is limited.

Further information on the Company's financial risk management policies can be found in Note 13 of these financial statements.

By order of the Board



David Jeffrey Harris  
Director  
3 June 2019

The Pearl  
7 New Bridge Street West  
Newcastle upon Tyne  
United Kingdom  
NE1 8AQ

## DIRECTORS' REPORT

The Directors present their report together with the audited financial statements for the year ended 31 December 2018.

### Principal activities

The principal activity of the Company continues to be that of ship manning agents.

### Future developments

The Directors consider that the Company's crew manning activities will continue for the foreseeable future.

### Dividends

No dividend payments were made during the year (2017: nil). The Directors do not recommend the payment of a final dividend (2017: nil). Transfers to reserves are shown in the reconciliation of the movement in shareholders' funds within the Statement of Changes in Equity on page 10.

### Review of the business

The results for the year are shown in the Income Statement on page 7. For an analysis of the results and performance of the Company's business refer to the Strategic Report on page 1 of these financial statements.

### Principal risks and uncertainties

For the principal risks and uncertainties refer to the Strategic Report on page 1 of these financial statements and Note 13 Financial Risk Management.

### Prior year restatement

The Income Statement for the year ended 31 December 2017 has been restated to correctly reflect that costs directly attributable to the provision of services have been moved from administration expenses to cost of sales to better represent the nature of the costs.

### Directors

The Directors in office during the year ended 31 December 2018 and to the date of approval of these financial statements, were:

John Kilby (Resigned: 1 December 2018)

Nigel Edmund Lehmann-Taylor (Resigned: 1 December 2018)

David Jeffrey Harris

Marie Patricia Cooper

Graeme Thomson (Appointed: 1 December 2018)

No Director had a beneficial interest in the shares of the Company at any time during the year.

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

### Employment policies

The Company is committed to ensuring that no discrimination is practised against any employee or prospective employee on the grounds of colour, race, creed or sex. In particular the Company has a policy of giving full and fair consideration to applications for employment from registered disabled people. In cases where disablement occurs whilst in service, Company policy is, as far as possible, to continue employment and to arrange for any necessary re-training facilities. Opportunities for training, career development and promotion apply equally across the Company to disabled and non-disabled people alike.

The Company has developed harmonised arrangements for communication and consultation with employees including an intranet web site, electronic mail for the announcement of key issues, staff newsletters and magazines and senior management briefings to staff. The Company regularly consults employees so that the views of employees can be taken into account in making decisions that are likely to affect their interests.

**DIRECTORS' REPORT (continued)**

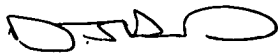
**Statement of disclosure of information to auditors**

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Independent auditors**

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

On behalf of the Board



David Jeffrey Harris  
Director  
3 June 2019

The Pearl  
7 New Bridge Street West  
Newcastle upon Tyne  
United Kingdom  
NE1 8AQ

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

On behalf of the Board



David Jeffrey Harris  
Director  
3 June 2019

The Pearl  
7 New Bridge Street West  
Newcastle upon Tyne  
United Kingdom  
NE1 8AQ

**Independent auditors' report to the members of Maersk Crewing Limited**

**Report on the audit of the financial statements**

**Our opinion**

In our opinion, Maersk Crewing Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2018; the Income Statement, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

**Conclusions relating to going concern**

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Company's trade, customers, suppliers and the wider economy.

**Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

**Independent auditors' report to the members of Maersk Crewing Limited (continued)**

***Strategic Report and Directors' Report***

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 year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

**Responsibilities for the financial statements and the audit**

***Responsibilities of the directors for the financial statements***

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

***Auditors' 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 auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

***Use of this report***

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Other required reporting**

**Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Stuart Macdougall (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

3 June 2019



**INCOME STATEMENT**

for the year ended 31 December 2018

	Notes	2018 £	2017 (restated) £
<b>Continuing operations</b>			
Revenue		511,736	531,021
Cost of sales		(273,604)	(287,483)
<b>Gross Profit</b>		<b>238,132</b>	<b>243,538</b>
Administrative expense	2/3	(220,722)	(224,262)
Other operating income	4	-	558
Other operating expense	5	(956)	-
<b>OPERATING PROFIT</b>		<b>16,454</b>	<b>19,834</b>
Financial income	6	6,283	44,216
Financial expense	6	(1,247)	(11,713)
<b>PROFIT BEFORE INCOME TAX</b>		<b>21,490</b>	<b>52,337</b>
Income tax expense	7	(2,583)	(6,705)
<b>PROFIT FOR THE YEAR</b>		<b>18,907</b>	<b>45,632</b>
<b>Profit attributable to:</b>			
Owners of the parent		<b>18,907</b>	<b>45,632</b>

The notes on pages 12 to 20 form part of these financial statements.

**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 31 December 2018

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>(restated)</b>
	<b>£</b>	<b>£</b>
Profit for the year	<u>18,907</u>	<u>45,632</u>
<b>Total comprehensive income for the year</b>	<u><u>18,907</u></u>	<u><u>45,632</u></u>
<b>Total comprehensive income attributable to :</b>		
Owners of the parent	<u><u>18,907</u></u>	<u><u>45,632</u></u>


The notes on pages 12 to 20 form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION**  
as at 31 December 2018

	Note	2018 £	2017 £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Deferred tax assets	8	1,854	2,261
		<b>1,854</b>	<b>2,261</b>
<b>Current assets</b>			
Trade and other receivables	9	328,797	65,880
Cash and cash equivalents	10	142,210	454,638
		<b>471,007</b>	<b>520,518</b>
<b>TOTAL ASSETS</b>		<b>472,861</b>	<b>522,779</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	11	10,000	10,000
Retained earnings		388,090	369,183
<b>Total equity</b>		<b>398,090</b>	<b>379,183</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Tax payable	7	11,732	27,706
Trade and other payables	12	63,039	115,890
		<b>74,771</b>	<b>143,596</b>
<b>Total liabilities</b>		<b>74,771</b>	<b>143,596</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>472,861</b>	<b>522,779</b>

The notes on pages 12 to 20 form part of these financial statements.

The financial statements on pages 7 to 20 were approved by the Board of Directors on 3 June 2019 and were signed on its behalf by:



David Jeffrey Harris  
Director  
Company registration number: 01662682

**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 December 2018

	Share capital £	Retained earnings £	Total Equity £
<b>Balance at 1 January 2017</b>	10,000	323,551	333,551
Total profit and comprehensive income for the year	-	45,632	45,632
<b>Balance at 31 December 2017</b>	<u><b>10,000</b></u>	<u><b>369,183</b></u>	<u><b>379,183</b></u>
<b>Balance at 1 January 2018</b>	10,000	369,183	379,183
Total profit and comprehensive income for the year	-	18,907	18,907
<b>Balance at 31 December 2018</b>	<u><b>10,000</b></u>	<u><b>388,090</b></u>	<u><b>398,090</b></u>

The notes on pages 12 to 20 form part of these financial statements.

**STATEMENT OF CASH FLOWS**

for the year ended 31 December 2018

	Notes	2018 £	2017 £
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit for the year		18,907	45,632
Adjustments for:			
Foreign exchange losses/(gains)	4/5	956	(558)
Finance income	6	(6,283)	(44,216)
Finance expense	6	1,247	11,713
Income tax expense	7	2,583	6,705
<b>Operating profit before changes in working capital</b>		<b>17,410</b>	<b>19,276</b>
Increase in trade and other receivables		(262,917)	(40,310)
(Decrease)/increase in trade and other payables		(52,851)	50,376
Effect of exchange rate fluctuations on working capital	4/5	(956)	558
<b>Cash (used in)/generated from operations</b>		<b>(299,314)</b>	<b>29,900</b>
Interest paid	6	(1,247)	(763)
Income tax paid		(18,150)	(32,998)
<b>Net cash used in operating activities</b>		<b>(318,711)</b>	<b>(3,861)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interest received	6	2,666	44,216
<b>Net cash generated from investing activities</b>		<b>2,666</b>	<b>44,216</b>
Net (decrease)/increase in cash and cash equivalents		(316,045)	40,355
Cash and cash equivalents at 1 January		454,638	425,233
Effect of exchange rate fluctuations on cash and cash equivalents		3,617	(10,950)
<b>Cash and cash equivalents carried forward</b>		<b>142,210</b>	<b>454,638</b>

The notes on pages 12 to 20 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

## 1 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

**General information**

Maersk Crewing Limited ("the Company") is a private company limited by shares, incorporated in England and Wales and is domiciled in the United Kingdom. The registered office and principal place of business is The Pearl, 7 New Bridge Street West, Newcastle upon Tyne, NE1 8AQ.

The principal activity of the Company continues to be that of ship manning agents.

**Basis of preparation**

The financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS interpretations committee (IFRS IC) as adopted by the European Union and in accordance with the Companies Act 2006 as applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost basis.

**New standards, amendments and interpretations**

IFRS 15 'Revenue from contracts with customers' has been adopted from 1 January 2018. The Company assessed the impact of IFRS 15 and concluded that revenue was already being recognised according to the standard as there was no significant change arising from the passage of control from risks and rewards transferring. There has therefore been no change in revenue recognition and no adjustments required to the financial statements. The revenue recognition policy has been updated to reflect the new recognition requirements prescribed by IFRS 15.

IFRS 9 'Financial Instruments' has been adopted from 1 January 2018. Given the straightforward nature of the Company's financial assets and liabilities, and the significant weighting towards intercompany transactions, the impact of this new standard is immaterial and no adjustments are required to the financial statements. A.P.Møller - Mærsk A/S is applying the simplified approach of providing for expected credit losses as prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables including those that are not due. This has also been adopted by the Company.

No new standards or amendments to published standards have had a material impact on the financial statements for the financial year beginning on or after 1 January 2018.

**New standards and interpretations not yet adopted**

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting periods and have not been early adopted by the Company. There are no IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

**Prior year restatement**

The Income Statement for the year ended 31 December 2017 has been restated to correctly reflect that costs directly attributable to the provision of services have been moved from administration expenses to cost of sales to better represent the nature of the costs.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

## Prior year restatement (continued)

A summary of the impact of this prior year restatement, by line item, is shown below.

	Year ended 31 December 2017	Restatement	Year ended 31 December 2017 (restated)
	£	£	£
Revenue	531,021	-	531,021
Cost of sales	-	(287,483)	(287,483)
<b>Gross Profit</b>	<b>531,021</b>	<b>(287,483)</b>	<b>243,538</b>
Administrative expense	(511,745)	287,483	(224,262)
Other operating income	558	-	558
<b>OPERATING PROFIT</b>	<b>19,834</b>	<b>-</b>	<b>19,834</b>

## Accounting estimates and judgements

The preparation of the financial statements requires management to exercise judgement in applying the Company's accounting policies. No judgements have been made during the year that have materially affected the reported numbers.

There have been no major sources of estimation that may result in a significant risk of material adjustment to the carrying amount of assets and liabilities within the next financial year.

## Going concern

The Company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The Company participates in the group's centralised treasury arrangements and so shares banking arrangements with A.P.Møller-Mærsk A/S. The Directors, having assessed the responses of the Directors of the Company's immediate parent to their enquiries, have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis of accounting in preparing the financial statements.

## Functional and presentational currency

These financial statements are presented in Great British pounds sterling, which is the Company's functional currency.

## Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recorded in the functional currency using the exchange rates prevailing at the date of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income Statement within 'Financial income' or 'Financial expenses'. All other foreign exchange gains and losses are presented in the Income Statement within 'Other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS (continued)****1 SIGNIFICANT ACCOUNTING POLICIES (continued)****Trade and other receivables**

Trade receivables are amounts due from customers in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

**Cash and cash equivalents**

Cash and cash equivalents in the Statement of Financial Position includes cash at bank. Bank overdrafts are reported in current liabilities. For the purpose of the Cash Flow Statement, cash and cash equivalents are presented net of bank overdrafts.

**Trade and other payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from vendors. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**Revenue recognition**

The Company provides manning services to other A.P. Møller-Mærsk A/S group subsidiaries. As services are provided directly by the Company, the Company is solely responsible for fulfilling the performance obligations and acts as a principal in all revenue transactions. Revenue generated through the provision of manning services is recognised at the point in time when the performance obligations in relation to the services rendered are achieved. Performance obligations are provided consistently through the year with annual revenue being recognised at the point in time when control is deemed to have taken place.

**Expenses**

Net financing costs comprise interest payable, interest receivable and foreign exchange gains and losses on loans, borrowings and financial assets.

Interest income and interest payable are recognised in the Income Statement as they accrue, using the effective interest method.

Costs directly attributable to the provision of services have been moved out of administration expenses and re-presented as cost of sales. The prior year has therefore been restated to reflect this.

**Income tax expense and deferred tax**

Income tax on the profit or loss for the year comprises current tax and deferred tax. Income tax is recognised in the Income Statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity. Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

**Dividends paid**

Dividends are recognised as a liability in the Statement of Financial Position in the year in which they are declared and approved by the board.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

**2 ADMINISTRATIVE EXPENSE**

	2018	2017
Expenses by nature	£	£
The operating profit before finance costs is stated after charging:		
Management fees	185,898	191,362
Staff costs	273,604	287,483
Other expenses	34,824	32,900
	<u>494,326</u>	<u>511,745</u>

**Auditors' remuneration**

	2018	2017
	£	£
Included within administration expenses is the following:		
Audit of financial statements	<u>7,000</u>	<u>4,500</u>

There were no other fees paid to the auditors during the year.

**3 STAFF NUMBERS AND COSTS**

	2018	2017
Monthly average number of staff (administration)	<u>7</u>	<u>8</u>

	2018	2017
	£	£
Wages and salaries	202,414	211,797
Social security costs	26,702	27,954
Pension costs	44,488	47,732
<b>Total staff costs</b>	<u>273,604</u>	<u>287,483</u>

	2018	2017
	£	£
Directors' emoluments	<u>9,092</u>	<u>-</u>
	£	£
The emoluments of the highest paid Director	<u>9,092</u>	<u>-</u>

There were no accrued pension contributions for Directors as at 31 December 2018 (2017: GBP nil).

All of the above emoluments relate to short-term employee benefits except for GBP 1,345 that are for post-employment benefits where contributions are made to a defined contribution pension scheme (2017: nil). The Directors do not participate in a defined benefit pension scheme.

Some of the Directors were not remunerated by the Company for their services as Directors of this Company. These Directors were remunerated by a fellow A.P.Møller-Mærsk A/S group subsidiary and there is no recharge to the Company as their services in respect of the entity are considered to be negligible in value.

**4 OTHER OPERATING INCOME**

	2018	2017
	£	£
Foreign exchange gains	<u>-</u>	<u>558</u>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

<b>5 OTHER OPERATING EXPENSE</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Foreign exchange losses	<u>956</u>	<u>-</u>
<b>6 FINANCIAL INCOME AND EXPENSE</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Interest income	2,666	44,216
Foreign exchange gains	3,617	-
<b>Financial income</b>	<u>6,283</u>	<u>44,216</u>
Interest expense	(1,247)	(763)
Foreign exchange losses	-	(10,950)
<b>Financial expense</b>	<u>(1,247)</u>	<u>(11,713)</u>
<b>Net financial income</b>	<u>5,036</u>	<u>32,503</u>
<b>7 INCOME TAX EXPENSE</b>		
<b>Recognised in the Income Statement</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
Current tax on profits for the year	3,616	9,556
Adjustments in respect of prior years	(1,440)	(3,348)
	<u>2,176</u>	<u>6,208</u>
<b>Deferred tax</b>		
Origination and reversal of temporary timing differences	458	497
Adjustment in respect of prior years	(51)	-
<b>Income tax expense</b>	<u>2,583</u>	<u>6,705</u>
<b>Reconciliation of effective tax rate</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Profit before income tax	<u>21,490</u>	<u>52,337</u>
Tax on profit before income tax at the standard UK rate of corporation tax of 19% (2017: 19.25%)	4,083	10,075
Expenses not deductible for tax purposes	44	43
Adjustments in respect of prior years	(1,491)	(3,348)
Effect of change in tax rates	(53)	(65)
<b>Income tax expense</b>	<u>2,583</u>	<u>6,705</u>

The standard rate of corporation tax in the UK changed from 20% to 19% with effect from 1 April 2017. Accordingly the company's profits for this year are taxed at a rate of 19%. A further decrease in the main rate of corporation tax to 17% was substantively enacted as part of the Finance Act 2016 (on 7 September 2016) and will be effective from 1 April 2020. Deferred tax balances at the balance sheet date have been measured using the enacted rates and reflected in these financial statements.

**Current tax liability**

The current tax liability of £11,732 (2017: £27,706) represents the amount of income taxes payable in respect of current and prior years. Within income tax payable is an amount of £8,116 (2017: £18,150) which is due to a fellow A.P.Møller-Mærsk A/S group subsidiary and is included within Note 15.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 8 DEFERRED TAX ASSETS

	2018 £	2017 £
Deferred tax assets are attributable to the following:		
Capital allowances	<u>1,854</u>	<u>2,261</u>

The Company had no unrecognised deferred tax assets at 31 December 2018 (2017: nil).

## Movement in temporary differences during the year

	At 1 January 2017 £	Recognised in Income Statement £	At 31 December 2017 £
Capital allowances	<u>2,758</u>	<u>(497)</u>	<u>2,261</u>
	At 1 January 2018 £	Recognised in Income Statement £	At 31 December 2018 £
Capital allowances	<u>2,261</u>	<u>(407)</u>	<u>1,854</u>
			£
Amounts expected to be recovered or settled:			
No more than twelve months after the reporting period			334
More than twelve months after the reporting period			<u>1,520</u>
			<u>1,854</u>

## 9 TRADE AND OTHER RECEIVABLES

	2018 £	2017 £
Trade receivables	18	50,455
Amounts due from group undertakings (Note 15)	323,062	3,346
Other receivables and prepayments	<u>5,717</u>	<u>12,079</u>
	<u>328,797</u>	<u>65,880</u>

The carrying amount of the above receivables is a reasonable approximation of fair value. There are no amounts past due at the end of the reporting period. Management's policy is to assess all trade and other receivables for recoverability on a regular basis. All trade and other receivables, including amounts due from group undertakings, are due within less than one year from the reporting date and are interest free.

## 10 CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Bank balance	<u>142,210</u>	<u>454,638</u>

The bank balance forms part of cash pooling arrangements with A.P.Møller-Mærsk A/S and is aimed at concentration and management of liquidity at a group level, supplying entities with liquid funds to cover daily payments.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 11 SHARE CAPITAL

	2018 £	2017 £
<b>Allotted, called up and fully paid:</b>		
10,000 (2017: 10,000) ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

All shares rank pari passu with all holders having full voting rights, as well as the right to dividends and to participate in a distribution (not liable to redemption).

## 12 TRADE AND OTHER PAYABLES

	2018 £	2017 £
Trade payables	30,351	16,811
Amount payable to group undertaking (Note 15)	20,570	22,531
Other payables and accruals	12,118	76,548
	<u>63,039</u>	<u>115,890</u>

The Company's exposure to liquidity risk related to trade and other payables is disclosed in Note 13. The carrying value of all the above payables is equivalent to fair value. Trade and other payables, including amounts payable to group undertakings, are payable within less than one year from the reporting date and are interest-free.

## 13 FINANCIAL RISK MANAGEMENT

Financial instruments held by the Company comprise of cash balances, receivables and payables. The Company is not exposed to any significant risks with regards to its financial instruments.

**Credit and Liquidity Risk**

Financial instruments held by the Company comprise cash balances, receivables and payables. Cash, receivables and payables are due from fellow A.P.Møller-Mærsk A/S group subsidiaries and are therefore not exposed to the same risks as external market instruments. Exposure to credit risk and liquidity risk is therefore also limited. The Company applies the simplified approach to providing the expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade and other receivables. As the Company follows the group rule of not providing for intercompany balances the impact of the expected credit loss is immaterial.

**2018**

	Note	Effective interest rate %	Less than 1 year £	2-5 years £	Over 5 years £	Total £
Trade payables	12	nil	30,351	-	-	30,351
Amount payable to group undertaking	12	nil	20,570	-	-	20,570
Other payables and accruals	12	nil	12,118	-	-	12,118

**2017**

	Note	Effective interest rate %	Less than 1 year £	2-5 years £	Over 5 years £	Total £
Trade payables	12	nil	16,811	-	-	16,811
Amount payable to group undertaking	12	nil	22,531	-	-	22,531
Other payables and accruals	12	nil	76,548	-	-	76,548

**Foreign exchange risk**

The Company operates internationally and is exposed to currency risk on sales and purchases, and cash balances that are in currencies other than the functional currency. As the Company transacts mainly in its functional currency, foreign exchange risk is low for all years presented.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 13 FINANCIAL RISK MANAGEMENT (continued)

The financial assets of the Company that are not denominated in the functional currency are as follows:

Cash and cash equivalents	2018	2017
	£	£
USD	20,209	101,006

## Sensitivity

The sensitivity of profit or loss to changes in the USD/GBP exchange rate arises from the retranslation of cash balances denominated in USD.

	2018	2017
	£	£
USD/GBP exchange rate - increase 3% (2%)	(684)	(1,566)
USD/GBP exchange rate - decrease 3% (2%)	684	1,566

## Capital Management

The Board's policy is to maintain a strong capital base so as to sustain future operations of the business. Capital consists of share capital and retained earnings. The Company regularly reviews its capital structure and is not subject to external controls on its capital structure. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, reduce capital to shareholders, issue new shares or sell assets to reduce debt. The board monitors the return on capital as well as the level of dividends to ordinary shareholders.

Total capital is calculated as 'equity', as shown in the balance sheet, plus net debt. Net debt is calculated as borrowings, less cash and cash equivalents as shown in Note 10. As the Company currently has no borrowings, total capital is equity less cash and cash equivalents.

## 14 CONTROLLING PARTIES

## Immediate holding company

Maersk Crewing Limited's immediate holding company up to 6 March 2017 was The Maersk Company Limited, a company incorporated in the England and Wales, the registered address is The Pearl, 7 New Bridge Street West, Newcastle upon Tyne, NE1 8AQ. On 6 March 2017 The Maersk Company Limited sold 100% of its shares held in Maersk Crewing Limited to Maersk Line UK Limited, a company incorporated in England and Wales, the registered address of which is The Pearl, 7 New Bridge Street West, Newcastle upon Tyne, NE1 8AQ.

## Ultimate controlling party

The ultimate controlling party is A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal. The first group in which the results of the Company are consolidated is A.P.Møller-Mærsk A/S. The largest group in which the results of the Company are consolidated is A.P.Møller Holding A/S. Copies of the consolidated financial statements can be obtained from the companies' websites at [www.maersk.com](http://www.maersk.com) and [www.apmoller.com](http://www.apmoller.com).

## 15 RELATED PARTY TRANSACTIONS

## Identity of related parties

The Company has a related party relationship with fellow A.P.Møller-Mærsk A/S group subsidiaries, its Directors and executive officers.

## Transaction with key management personnel

There were no transactions with key management.

**NOTES TO THE FINANCIAL STATEMENTS (continued)****15 RELATED PARTY TRANSACTIONS (continued)****Other related party transactions**

Transaction with related parties were as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Transaction values</b>		
Sale of services - Fellow A.P.Møller-Mærsk A/S group subsidiaries	494,877	516,225
Purchase of services - Fellow A.P.Møller-Mærsk A/S group subsidiaries	(185,898)	(191,362)
Interest income - Fellow A.P.Møller-Mærsk A/S group subsidiaries	2,666	44,216
Interest expense - Fellow A.P.Møller-Mærsk A/S group subsidiaries	(478)	-
<b>Balances outstanding</b>		
Trade and other receivables - Fellow A.P.Møller-Mærsk A/S group subsidiaries	323,062	3,346
Trade and other payables - Fellow A.P.Møller-Mærsk A/S group subsidiaries	(20,570)	(22,531)
Tax payable - Fellow A.P.Møller-Mærsk A/S group subsidiaries	(8,116)	(18,150)

All outstanding balances with related parties are non-secured and there is no provision for bad debts relating to the fellow group subsidiaries.