

**CP Ships (UK) Limited**

Directors' Report and Financial Statements

for the year ended 30 September 2014

Company number 1884242

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The Directors submit their report and the audited financial statements of CP Ships (UK) Limited ("the Company") for the year ended 30 September 2014.

**Principal activity**

The Company did not trade during the year and is not expected to trade in future years. The Company's former principal activity of the provision of container shipping services ceased in 2006. The Company remains active due to the winding up of the former operations, including damage claims and pension schemes.

**Results and dividends**

The profit on ordinary activities before taxation for the year ended 30 September 2014 amounted to US\$ 485,000 (2013: US\$1,692,000 loss). There were no dividends paid during the year (2013 US\$ nil). The Directors do not recommend the payment of a final dividend.

**Funding and liquidity**

The Directors have considered the funding and liquidity position of the Company and of its intermediate parent company Contship Holdings Limited. Following this review, the Directors consider it appropriate to continue to prepare the financial statements on the going concern basis.

**Directors**

The Directors of the Company at the date of this report are:

W Flintermann (appointed on 22 December 2014)  
J Walter

Other Directors who served during the year were:

A L John (resigned 3 December 2013)  
W H Rau (resigned 30 November 2014)

**Policy and practice on payment of suppliers**

It is the Company's policy wherever possible to agree terms of payment with suppliers in advance to ensure that they are made aware of the terms of payment and both parties abide by those terms.

**Directors' indemnity**

Throughout the financial year and at the date of approval of these financial statements, the ultimate parent company, TUI AG, maintained Directors' & Officers' Liability insurance policies on behalf of the Directors of the Company. These policies meet the Companies Act 2006 definition of a qualifying third party indemnity provision.

**Statement as to disclosure of information to auditors**

The Directors 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 re-appointed and PricewaterhouseCoopers LLP will therefore continue in office.

### Statement of directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

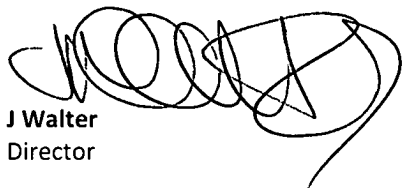
Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and the Company is therefore exempt from the requirement to prepare a Strategic Report.

On behalf of the Board

  
X J Walter  
Director

Company Number: 1884242

Dated: 30 June 2015

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## Report on the financial statements

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### Our opinion

In our opinion, CP Ships (UK) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 30 September 2014 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.

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### What we have audited

CP Ships (UK) Limited's financial statements comprise:

- the balance sheet as at 30 September 2014;
- the profit and loss account for the year then ended;
- the statement of total recognised gains and losses for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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

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

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### Other matters on which we are required to report by exception

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#### Adequacy of accounting records and information and explanations received

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, 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.

We have no exceptions to report arising from this responsibility.

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#### Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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### Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies' exemption from preparing the strategic report. We have no exemptions to report arising from this responsibility.

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### Responsibilities for the financial statements and the audit

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#### Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, 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 Accounting (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

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#### What an audit of financial statements involves

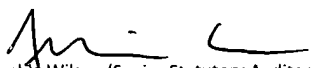
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially inconsistent with the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

  
Archie Wilson (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors

Uxbridge

30 June 2015

CP Ships (UK) Limited  
Profit and loss account for the year ended 30 September 2014

	Note	Year ended 30 September 2014 US\$'000	Year ended 30 September 2013 US\$'000
Administrative expenses		(642)	(2,132)
Other operating income		284	667
<b>Loss on ordinary activities before interest and taxation</b>		<b>(358)</b>	<b>(1,465)</b>
Interest receivable and similar income	6	127	188
Other finance income	15	1,052	151
Interest payable and similar expenses	7	(336)	(566)
<b>Profit/(loss) on ordinary activities before taxation</b>	3	<b>485</b>	<b>(1,692)</b>
Tax on profit/(loss) on ordinary activities	8	-	-
<b>Profit/(loss) for the financial year</b>	13	<b>485</b>	<b>(1,692)</b>

A note on historical cost profits and losses has not been included as part of these financial statements as the results as disclosed in the profit and loss account are prepared on an unmodified historical cost basis.

**Statement of total recognised gains and losses**

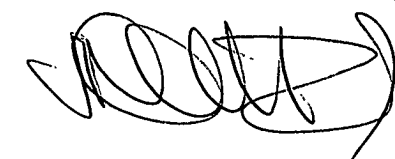
	Note	Year ended 30 September 2014 US\$'000	Year ended 30 September 2013 US\$'000
Profit/(loss) for the financial year		485	(1,692)
Actuarial loss on pension scheme	15	(1,832)	(2,881)
<b>Total recognised losses relating to the financial year</b>		<b>(1,347)</b>	<b>(4,573)</b>

**CP Ships (UK) Limited**  
**Balance sheet at 30 September 2014**

	Note	30 September 2014 US\$'000	30 September 2013 US\$'000
<b>Fixed assets</b>			
Investments	9	<u>1,513</u>	<u>1,513</u>
		<b>1,513</b>	<b>1,513</b>
<b>Current assets</b>			
Debtors	10	<b>70,341</b>	87,692
Cash at bank and in hand		<u>145</u>	<u>193</u>
		<b>70,486</b>	<b>87,885</b>
<b>Creditors: amounts falling due within one year</b>	11	<u>(38,949)</u>	<u>(53,551)</u>
<b>Net current assets</b>		<u><b>31,537</b></u>	<u>34,334</u>
<b>Total assets less current liabilities</b>		<b>33,050</b>	<b>35,847</b>
<b>Pension deficit</b>	15	<u>(5,675)</u>	<u>(7,125)</u>
<b>Net assets</b>		<u><u><b>27,375</b></u></u>	<u><u>28,722</u></u>
<b>Capital and reserves</b>			
Called up share capital	12	<b>1,000</b>	1,000
Share premium account	13	<b>159,482</b>	159,482
Merger reserve	13	<b>(35,000)</b>	(35,000)
Other reserve	13	<b>34,935</b>	34,935
Profit and loss account	13	<u>(133,042)</u>	<u>(131,695)</u>
<b>Total shareholders' funds</b>	14	<u><u><b>27,375</b></u></u>	<u><u>28,722</u></u>

The notes on pages 6 to 14 form part of these financial statements.

The financial statements were approved by the Board and signed on their behalf by:



**X J Walter**  
Director

Date: 30 June 2015

**1. Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

**Basis of preparation**

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention.

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

**Cash Flow**

Under Financial Reporting Standard 1 (revised 1996) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

**Investments**

Investments in subsidiary companies are stated at cost less provision for diminution in value. The carrying amounts of the Company's investments are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. If such an indication exists, the investment's recoverable amount is estimated. An impairment loss is recognised in the profit and loss account whenever the carrying amount of an investment exceeds its recoverable amount.

**Taxation**

Taxation comprises current and deferred tax. Current tax is the expected tax payable (or recoverable) for the current year and any adjustment to tax payable in respect of previous years, using tax rates enacted or substantively enacted at the balance sheet date.

**Foreign currencies**

Assets and liabilities in non-US\$ currencies are translated into US\$ at the exchange rate ruling on the balance sheet date. Transactions in non-US\$ currencies are recorded at the exchange rates in effect on the dates of the related transactions. Differences arising due to exchange fluctuations have been reflected in the profit and loss account.

The most significant exchange rates are US\$/Euro, and US\$/Sterling. At 30 September 2014, the closing exchange rates were as follows:

	<b>Closing exchange rate</b>
US\$ / Sterling	<b>1.6582</b>
US\$ / Euro	<b>1.2632</b>

**Pensions**

The Company operated a defined benefit scheme for its employees.

Full actuarial valuations of the main defined benefit schemes are carried out periodically by qualified independent actuaries. The post-retirement benefit deficit is included on the Company's balance sheet. The current service cost and any past service costs are included in the profit and loss account within administration expenses and the expected return on the schemes' assets is included within interest receivable and similar income. Actuarial gains and losses, including differences between the expected and actual return on scheme assets, are recognised in the statement of total recognised gains and losses.

**Other operating income**

Other income including refunds not directly associated with the former operating activities are recognised upon receipt.

**2. Segmental analysis**

At 30 September 2014 the Company had no revenues from the former business and no significant revenue-earning assets or goodwill.

**3. Profit/(loss) on ordinary activities before taxation**

In the years ended 30 September 2014 and 30 September 2013, the auditors' remuneration was as follows:

	Year ended 30 September 2014 US\$'000	Year ended 30 September 2013 US\$'000
Fees for the audit of the Company	<u>31</u>	<u>41</u>

Non-audit fees paid to the Company's auditors, PricewaterhouseCoopers LLP, and its associates for services other than the statutory audit of the Company amounted to US\$ 16,000.

**4. Employee costs**

	Year ended September 2014 US\$'000	Year ended 30 September 2013 US\$'000
Other pension costs	<u>352</u>	<u>1,845</u>

There were no employees of the Company in the years ending 30 September 2014 and 2013.

**5. Directors' remuneration**

The remuneration of the Directors was paid by another group company, which makes no recharge to the Company, and the Directors received no remuneration for their services as Directors of the Company. These Directors are also Directors of a number of companies within the group and it is therefore not possible to make an apportionment of their remuneration in respect of the Company and each of the group companies for which they are a Director.

**6. Interest receivable and similar income**

	Year ended 30 September 2014 US\$'000	Year ended 30 September 2013 US\$'000
Amounts due from ultimate parent and fellow subsidiaries	<u>127</u>	<u>188</u>



**7. Interest payable and similar expenses**

	Year ended 30 September 2014 US\$'000	Year ended 30 September 2013 US\$'000
Amounts due to ultimate parent undertaking	<u>336</u>	<u>566</u>

**8. Tax on profit/(loss) on ordinary activities****(i) Analysis of tax charge in the year**

	Year ended 30 September 2014 US\$'000	Year ended 30 September 2013 US\$'000
Current tax:		
UK Corporation tax	<u>-</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>
<b>Tax charge on ordinary activities</b>	<u>-</u>	<u>-</u>

**(ii) Analysis of tax charge for the year**

Current tax for the year is different (2013: different) to the standard rate of corporation tax in the UK of 22% (2013:23.5%). The differences are explained below.

	Year ended 30 September 2014 US\$'000	Year ended 30 September 2013 US\$'000
Profit/(loss) on ordinary activities before tax	<u>485</u>	<u>(1,692)</u>
Profit/(loss) on ordinary activities at the standard rate of UK corporation tax of 22% (2013: 23.5%)	107	(406)
Effect of:		
- Income not chargeable for tax purposes	63	17
- FRS 17 adjustments	(319)	(517)
- Losses in the year not utilised	149	906
<b>Current tax charge for the year</b>	<u>-</u>	<u>-</u>

**8. Tax on profit/(loss) on ordinary activities (continued)****(iii) Factors affecting the future tax charge**

At the balance sheet date, the Finance Act 2014 had been enacted confirming that the main UK corporation tax rate will reduce to 21% with effect from 1 April 2014 and 20% from 1 April 2015. These reductions may also reduce the company's future current tax charges accordingly.

There are no unrecognized deferred tax assets or unprovided deferred tax liabilities at the current or prior year end.

**9. Investments**

	Investments in subsidiary undertakings US\$'000
<b>Cost and net book value</b>	
Canada Maritime Services Limited	1,005
Portmade NV	508
<b>As at 1 October 2013 and at 30 September 2014</b>	<b>1,513</b>

The following companies are principal subsidiary undertakings of the Company:

Name	Percentage Owned	Country of Incorporation	Nature of company
Canada Maritime Services Limited	100 %	United Kingdom	Dormant
Portmade NV	49 %	Belgium	Customs clearance services

The Directors believe that the book value of the investments is supported by their underlying net assets and projected cash flows.

**10. Debtors**

	30 September 2014 US\$'000	30 September 2013 US\$'000
Amounts owed by group undertakings	70,233	87,509
Other debtors	108	183
	<b>70,341</b>	<b>87,692</b>

The amounts owed by group undertakings include a credit facility agreement with CP Ships (Bermuda) Limited. This facility bears interest based at Libor and is repayable on demand.

**11. Creditors: amounts falling due within one year**

	30 September 2014 US\$'000	30 September 2013 US\$'000
Amounts owed to group undertakings	24,745	24,745
Amounts owed to ultimate parent undertaking and fellow subsidiaries	2,507	15,797
Corporation tax	2,508	2,508
Other creditors	3,884	4,504
Accruals and deferred income	5,305	5,988
	<b>38,949</b>	<b>53,552</b>

The amounts owed to fellow subsidiary undertakings and group undertakings are unsecured, interest free and repayable on demand, except the amounts due to ultimate parent company which bears interest at *libor*.

The accruals and deferred income comprise the following items:

	30 September 2014 US\$'000	30 September 2013 US\$'000
Insurance provision	3,117	3,789
Other	2,188	2,209
Accruals and deferred income	5,305	5,998

**12. Called up share capital**

	30 September 2014	30 September 2013
<i>Issued and fully paid:</i>		
10,000 (2013: 10,000) ordinary shares of US\$100 each	US\$1,000,000	US\$1,000,000
2 (2013: 2) ordinary shares of £1 each	£2	£2
100 (2013: 100) 'A' ordinary shares of US\$1 each	US\$100	US\$100

The 100 "A" ordinary shares rank *pari passu* in all respects as one class of shares with the existing ordinary share capital of Company.

**13. Reserves**

	Share premium account US\$'000	Merger reserve US\$'000	Other reserve US\$'000	Profit & loss account US\$'000
Balance at 1 October 2013	159,482	(35,000)	34,935	(131,695)
Retained loss for the financial year	-	-	-	(1,347)
Balance at 30 September 2014	<b>159,482</b>	<b>(35,000)</b>	<b>34,935</b>	<b>(133,042)</b>

The merger reserve arose due to the UK GAAP differences between the book values of the net assets of ANZDL Limited, Canada Maritime Services Limited and Cast Group Services Limited which were accounted for under Canadian GAAP prior to the Group reorganisation in 2001. The other reserve represents capital contributions from the immediate parent company Contship Holdings Limited in 1998.

**14. Reconciliation of movements in shareholders' funds**

	Year ended 30 September 2014 US\$'000	Year ended 30 September 2013 US\$'000
Opening shareholders' funds	28,722	33,295
Profit/(loss) for the financial year	485	(1,692)
Actuarial loss on pension scheme (Note 15)	(1,832)	(2,881)
<b>Closing shareholders' funds</b>	<b>27,375</b>	<b>28,722</b>

All shareholders' funds relate to equity interests.

**15. Pension Commitments**

When the Company traded it operated defined benefit and defined contribution schemes in the United Kingdom. The assets of all schemes are held separately from those of the relevant group company. An actuarial valuation of the Contship Containerlines Limited 1979 Defined Benefit Pension Scheme, using the projected unit basis, was carried out at 30 September 2014 by Barnett Waddingham LLP, independent consulting actuaries.

The main financial assumptions used by the actuary were:

	30 September 2014	30 September 2013
Rate of increase in salaries	none	none
Rate of increase in pensions in payment (GMP)	3.0%	3.0%
Rate of increase in pensions in payment (Pre 97 - non-GMP)	5.0%	5.0%
Rate of increase in pensions in payment (Post 97 - Pre 05)	3.1%	3.3%
Rate of increase in pensions in payment (Post 05)	2.1%	2.4%
Discount rate	3.9%	4.4%
Inflation assumption (RPI)	3.25%	3.3%
Inflation assumption (CPI)	2.25%	2.3%

## 15. Pension Commitments (continued)

The assets in the scheme and the expected rate of return were:

	Value as at 30 September 2014 US\$'000	Long-term rate of expected return at 30 September 2014	Value as at 30 September 2013 US\$'000	Long-term rate of expected return at 30 September 2013
Equities	17,261	3.9%	27,822	7.7%
Bonds	11,145	3.9%	9,200	4.4%
Diversified growth funds	13,530	3.9%	-	-
Value of secured pensions	9,180	3.9%	8,338	4.4%
Cash	565	3.9%	480	0.5%
Total market value of assets	51,681		45,840	
Present value of scheme liabilities	(57,356)		(52,965)	
Net pension deficit	(5,675)		(7,125)	

	Year ended 30 September 2014 US\$'000	Year ended 30 September 2013 US\$'000
<b>Analysis of the amount credited to finance income</b>		
Expected return on pension scheme assets	3,285	2,181
Interest on pension scheme liabilities	(2,233)	(2,030)
Net interest	1,052	151

**Analysis of amount recognised in statement of total recognised gains and losses (STRGL)**

	Year ended 30 September 2014 US\$'000	Year ended 30 September 2013 US\$'000
Actual return less expected return on pension scheme assets	(1,832)	(2,881)
Actuarial loss recognised in STRGL	(1,832)	(2,881)
<b>Movement in deficit during the year</b>		
Deficit in scheme at beginning of the year	(7,125)	(6,558)
Movement in year:		
Net interest cost	1,052	151
Employer contributions	2,230	2,163
Actuarial loss recognised in STRGL	(1,832)	(2,881)
Deficit in scheme at end of the year	(5,675)	(7,125)

## 14. Pension Commitments (continued)

## Reconciliation of present value of scheme assets

	Year ended 30 September 2014 US\$'000	Year ended 30 September 2013 US\$'000
Fair value of assets at the beginning of the year	45,840	39,100
Expected return	3,285	2,191
Employer contributions	2,230	2,163
Benefits paid	(1,198)	(966)
Actuarial gain on Scheme assets	1,524	3,352
Fair value of assets at the end of the year	<u>51,681</u>	<u>45,840</u>

## Reconciliation of present value of scheme liabilities

	Year ended 30 September 2014 US\$'000	Year ended 30 September 2013 US\$'000
Fair value of liabilities at the beginning of the year	52,965	45,658
Interest cost	2,233	2,040
Benefits paid	(1,198)	(966)
Actuarial loss due to changes in the assumptions	1,872	6,392
Actuarial loss due to currency exchange rate differences	1,484	(159)
Fair value of liabilities at the end of the year	<u>57,356</u>	<u>52,965</u>

## Details of experience gains and losses for the year

	Year ended 30 September 2014 US\$'000	Year ended 30 September 2013 US\$'000
<b>Experience adjustments on plan assets:</b>		
Amount	1,524	3,352
Percentage of scheme assets	2.9%	7.3%
<b>Experience adjustments on plan liabilities:</b>		
Amount	-	-
Percentage of the present value of the scheme liabilities	<u>0.0%</u>	<u>0.0%</u>

Company contributions to the scheme were \$2,230,000 for the year ended 30 September 2014 (2013: \$2,163,000). In July 2009 it was agreed with the trustees that future Company contributions would be £112,000 per month over the next 6 years.

The Company has received a guarantee from TUI Beteiligungs GmbH, a fellow subsidiary within TUI AG group of companies, under which TUI Beteiligungs GmbH has agreed that the Company will be able to meet, and will meet, all liabilities that it may have to the Company's pension scheme and to the Contship pension scheme as and when they become due and payable or that such liabilities will be funded by TUI Beteiligungs GmbH directly as and when they become due and payable.

**16. Related party transactions**

The Company has taken advantage of the exemption contained in Financial Reporting Standard No. 8 "Related Party Disclosure" as it is a wholly-owned subsidiary of TUI AG. Therefore the Company has not disclosed transactions or balances with wholly-owned entities that form part of the group headed by TUI AG.

**17. Ultimate parent company**

The Company is a wholly-owned subsidiary of Contship Holdings Limited. The ultimate parent company and ultimate controlling party is TUI AG, a company incorporated in Germany. The group financial statements of TUI AG are available from Karl-Wiechert-Allee 4, D-30625, Hannover, Germany or on the website: [www.tui-group.com](http://www.tui-group.com).