

# **Geodis FF United Kingdom Ltd**

**Report and Financial Statements**  
31 December 2020

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COMPANIES HOUSE

Geodis FF United Kingdom Ltd - Registered No:621547

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**Directors**

T Kraus  
G Harries  
Y Noyon  
C Packwood

**Company Secretary**

G Harries

**Independent Auditors**

PricewaterhouseCoopers LLP  
PWC Watford  
40 Clarendon Road  
Watford  
WD17 1JJ

**Bankers**

HSBC  
8 Canada Square  
London  
E14 5HQ

**Registered Office**

LHR1  
145 Fages Road  
Feltham  
Middlesex  
TW14 0LZ

**Registered Number**

621547 (England and Wales)

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## Strategic Report

### Review of the business

Clearly during 2020, Covid was the major external factor impacting on the business. From early in the year this resulted in severe limitations on global air capacity and some shutdowns in customer supply chains. However, as a business we were able to navigate our way through these challenges to deliver for our customers through a combination of utilising our airline relationships to find alternative routes, chartering of planes or by switching some freight to ocean carriers. Our customer base remained largely the same year over year, although one major account elected to insource its business from 1 January, but we were able to support some new and existing customers to bring personal protective equipment (PPE) orders into the UK. We also made use of the UK Government furlough scheme to place a number of staff on this support for a period of time whilst the freight volumes declined. And the majority of our office-based staff were successfully moved to work from home to ensure their health and safety and to follow Government guidance. We continued to invest in our staff where possible and a number progressed their training on a Government approved Supervisor programme and once again, we had a nomination for the "Apprentice of the Year Award" run by the BIFA industry association.

Whilst Covid had some impact on our financials at a revenue and gross margin level, together with the impact from the end of the contract with a major account mentioned above, we were able to take actions on our cost base to largely offset the reduced volumes, and this ensured we remained profitable at EBITDA trading level before non-cash deductions for amortisation and interest charge on group loans.

There has been no significant shift in the fundamental service offering to customers, but the company has looked to develop customised solutions for customers where opportunities have arisen. In particular, we have developed our customs brokerage service offering ahead of the changes due to the UK's exit from the EU trade rules on 31 December 2020. The company has also continued to develop vertical market specialisms in line with the Geodis Group approach.

The company has received confirmation of the continued support of the Geodis Group and its ultimate parent organisation, SNCF.

#### Going Concern

As at 31 December 2020 the Company has net current liabilities of £28,093,000 (2019: £28,581,000).

The directors' consideration of the appropriateness of the going concern basis in preparing the financial statements is set out in note 1 to the financial statements.

#### Future developments

The strategy for 2021 seeks to retain and grow with our existing customers as well as to actively seek new profitable business. The company aims to further develop its go-to-market approach with investment in new staff and tools to promote our vertical market specialisms and expand our customs brokerage services.

#### Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in competitive and pricing risk, foreign exchange risk, interest rate cash flow risk, credit risk and liquidity risk. The company has in place a risk management programme that seeks to limit the adverse effects of these risks on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

## Strategic Report (Continued)

### Competitive and pricing risk

The freight forwarding industry continues to be an area of significant competition. Gross Margins need to be effectively managed to ensure continued profitability. Working closely with our partners is critical to maintain growth and profitability. The company will also continue to look to manage margins by considering strategic product and market diversification.

### Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually. The company has in place credit insurance.

### Liquidity risk

The company actively maintains a mixture of long-term and short-term intercompany/intergroup finance that is designed to ensure the company has sufficient available funds for operations.

### Interest rate cash flow risk

The company has both interest-bearing assets and interest-bearing liabilities, which are at floating rates based on LIBOR.

### Foreign exchange risk

The company enters into foreign exchange transactions as a result of its operations. The directors do not consider the risk significant enough to necessitate the use of complex hedging instruments. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

	2020 £000	2019 £000	Change
Revenue	109,252	123,470	-12%
Ebitda	596	1,370	-56%
Loss for the financial year	(4,818)	(3,939)	-22%
Total Shareholders' (deficit)/funds	(4,683)	135	3569%

### Key Performance Indicators

The company has identified a number of key performance indicators as above that it monitors on a regular basis.

### Position of the business

At 31 December 2020 the company had net liabilities of £4,683,000 (2019 net assets of: £135,000)

### S172 Statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefits of its members as a whole. In doing this s172 requires a director to have regard, among other matters, to the:

- Likely consequences of any decisions in the long term;
- Interests of the company's employees;
- Need to foster the company's business relationships with suppliers, customers and others;
- Impact of the company's operations on the community and environment;
- Desirability of the company maintaining a reputation for high standards of business conduct; and
- Need to act fairly as between members of the company.

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## Strategic Report (Continued)

This statement intends to set out how the Board of Directors, both individually and collectively, has taken into consideration the above matters when undertaking their duties during the year in discharging their s172 duties. The aim of the directors is to act fairly and in the best interests of the company over the long term. In making their decisions the directors also consider any associated risks when discharging their duties.

The principal decisions of the Board are those that have a potentially material impact on the company's long term performance, value creation or a stakeholder group. The Board's principal activities during the year covered (i) review of monthly financial performance, (ii) approval of the annual budget, (iii) monitoring funding available to the business and (iv) review of progress in key actions of the executive management,

We identify our key stakeholders as our employees, customers, suppliers, shareholders and regulators with whom we work. There were no principal decisions of the Board that impacted our relationship with stakeholders during the year.

Please see directors' report for details on how the company engages with each of these stakeholders.

On behalf of the board



G Harries  
Director

## Directors' Report

The directors present their report and audited financial statements for the year ended 31 December 2020.

### Results and dividends

The company's loss for the financial year amounted to £4,818,000 (2019: loss of £3,939,000), which will be transferred to reserves. The directors do not recommend the payment of a dividend (2019: £nil).

### Directors' and their interests

The directors, who held office during the year, and up to the date of signing the financial statements, were:

C Packwood

G Harries

T Kraus

Y Noyon

### Stakeholder engagement

Engaging and building trust with the broad range of stakeholders that interact with, or are impacted by, our business is key to delivering our strategy and ensuring our success over the long term.

Engagement with our shareholders and wider stakeholder groups plays a vital role throughout the business. We set out in the following table our key stakeholder groups, their material issues and how the Company engage with them. Each stakeholder group requires a tailored engagement approach to foster effective and mutually beneficial relationships.

Shareholders	<p>The support of our shareholders is vital to the long-term performance of the company.</p> <p><b>What matters</b></p> <ul style="list-style-type: none"><li>Financial performance and commercial success</li><li>Company's recurring contract revenue or "Book of Business"</li><li>Identify opportunities for growth/expansion</li><li>Understanding how investments and initiatives can drive efficiencies and profitable growth</li></ul> <p><b>How we engage</b></p> <ul style="list-style-type: none"><li>Monthly board meetings &amp; reports</li><li>Shareholder reporting</li><li>Regular meetings and calls</li><li>Annual statutory accounts</li><li>Annual budget</li><li>Corporate website</li></ul> <p><b>What we are doing</b></p> <ul style="list-style-type: none"><li>Monthly board meetings to ensure that our shareholders understand our strategy and performance</li></ul>
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## Directors' Report (continued)

Customers	<p>A key focus for the company is that we are trusted to deliver a productivity, quality and compliance benefit to our customers.</p> <p><b>What matters</b></p> <ul style="list-style-type: none"> <li>· Understand customer specific needs in relation to their shipping requirements</li> <li>· Service performed safely and to a high standard</li> <li>· Service undertaken when scheduled</li> <li>· Efficiency of services</li> <li>· Data security of information</li> </ul> <p><b>How we engage</b></p> <ul style="list-style-type: none"> <li>· Regular customer contact through our account managers</li> <li>· Response to customer complaints to secure long-term business</li> <li>· Direct marketing and communications</li> <li>· Corporate website</li> </ul> <p><b>What we are doing</b></p> <ul style="list-style-type: none"> <li>· Strengthening our transport options and combinations to meet customer requirements and ensure we maintain high standards for service quality and timely delivery.</li> <li>· Management of ongoing customer relationships by reviewing customer retention and service level statistics.</li> </ul>
Employees	<p>We involve and listen to employees to help us maintain strong employee engagement and retain talented people.</p> <p><b>What matters</b></p> <ul style="list-style-type: none"> <li>· Training, development and prospects</li> <li>· Health and safety and working conditions</li> <li>· Diversity and equal opportunities</li> <li>· Fair pay &amp; benefits</li> <li>· Tools to do the job</li> </ul> <p><b>How we engage</b></p> <ul style="list-style-type: none"> <li>· Employee engagement survey for employees to provide feedback</li> <li>· Workforce communications via various forms of media</li> <li>· Ethical code-of-conduct</li> <li>· Confidential reporting via email</li> </ul> <p><b>What we are doing</b></p> <ul style="list-style-type: none"> <li>· Monitoring employee engagement through the employee survey and acting on feedback to improve engagement</li> <li>· Monitoring and acting on workplace health and safety matters</li> </ul>
Governing bodies and regulators	<p>We work with our regulators to ensure we comply with the relevant regulatory obligations. The principle regulatory bodies that we work with are, environmental, health and safety, and taxation.</p> <p><b>What matters</b></p> <ul style="list-style-type: none"> <li>· Compliance with environmental, health and safety regulations</li> <li>· Technical compliance including with industry bodies such as HMRC for Duty and Customs clearance, TAPA for Air Freight Security and MHRA for movement of Pharma controlled medicines</li> <li>· Compliance with workers' pay and conditions</li> </ul> <p><b>How we engage</b></p> <ul style="list-style-type: none"> <li>· Regular contact and discussion with regulators where appropriate</li> <li>· We seek to deal with tax authorities in an open and collaborative manner</li> <li>· Corporate website</li> <li>· Annual statutory accounts, Tax Returns filed and Vat Returns</li> </ul> <p><b>What we are doing</b></p> <ul style="list-style-type: none"> <li>· Regular reports from our business on regulatory issues and engagement, especially around the security requirements of freight</li> <li>· Maintaining open relationships with regulators and tax authorities</li> </ul>

## Directors' Report (continued)

Suppliers	<p>We work with a number of key suppliers, who provide various services to us including services integral to our customers.</p> <p><b>What matters</b></p> <ul style="list-style-type: none"> <li>· Success of the Group</li> <li>· Opportunities to innovate and grow the relationship</li> <li>· Payment terms</li> </ul> <p><b>How we engage</b></p> <ul style="list-style-type: none"> <li>· Regular direct engagement</li> <li>· Collaborative working meetings</li> </ul> <p><b>What we are doing</b></p> <ul style="list-style-type: none"> <li>· We work closely with each supplier to ensure service required are anticipated in advance of eventual use of service by our customers</li> <li>· Conducting business with suppliers who share our high quality standards to ensure security of services provided</li> <li>· Ensure payment practise are in line with the supplier terms and industry standards</li> </ul>
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## SCER Report

For 2020 we are reporting our carbon emissions following the Greenhouse Gas (GHG) protocol, which uses the scope 2 emissions methodology. This includes carbon dioxide emissions resulting from energy use in our buildings and employees' business-related travel using our own leased vehicles.

In 2020, our total GHG emissions were carbon dioxide equivalent of 226,553 Kilowatt hours. This represents a decrease of 32% compared with carbon dioxide equivalent in 2019 of 333,448 Kilowatt hours.

Our energy consumption (gas and electricity) in 2020 of 1,225,296 KWh is a reduction of 33% on the 2019 amount of 1,838,171 KWh. Around 30% of our electricity is sourced from renewables.

Both reductions are partly driven by the impact of Covid with less staff occupation of our buildings. We also exited one of our larger sites and consolidated the operations into an existing site to reduce footprint. In addition, we have taken some steps to improve our energy consumption with new LED lighting deployed at one of our larger sites, alongside existing measures such as smart lighting controls at our main site in LHR.

We have calculated our Carbon intensity ratio using total GHG emissions per FTE. This shows a measure that has decreased over 2019 due the lower emissions as explained above and despite a reduction in FTEs which doesn't immediately result in less energy usage. We are considering future steps to make a year on year improvement in this ratio.

Emissions and energy data table	2020	2019
GHG Emissions CO2e using KWh.	226,553	333,448
Energy consumption in KWh	1,225,296	1,838,171
Carbon intensity ratio		
· FTEs	278	331
· Ratio CO2e / Per FTE	814.9	1007.4

## Brexit

Following the earlier decision to exit the European Union (EU) and the trade agreement reached in December 2019, the UK is now operating under new trading rules which for us are mainly impacting customs clearance of goods moving between the UK and EU. This has resulted in increased revenues for the business as we look to serve new and existing customers and we have expanded and trained our teams to deliver on this.

## Going Concern

The company has received a commitment of financial support from its immediate parent undertaking, Geodis International SA, and, therefore the directors have a reasonable expectation that the company has adequate resources to continue to meet its liabilities as they fall due for a period of at least 12 months from the date the financial statements are signed. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.



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## **Directors' Report (continued)**

Nonetheless, out of concern for our employees and pursuant to the government order, the company has introduced without delay social distancing and most of the office staff are working from their homes. We continue to follow advice from health professionals and to observe Government guidelines on social distancing. We will review this situation regularly in line with official instructions.

We have also adjusted our business model and enabled our customers to interact with the business in a dynamic way. We have worked with airline carriers to ensure that where space exists on a route it is made available to our customers and in some instances, we have chartered aeroplanes to ensure that key routes are still serviced. The operational and functional management teams have been able to adapt effectively to ensure we can respond and manage exceptional demands and capacity.

As part of an ongoing programme we have further optimised our operating cost base to compensate for pressures on margins that exist. We have also taken advantage of the UK Government Furlough scheme and have placed about around a third of the workforce on the scheme to compensate for the drop-in volumes. We have introduced enhanced payment monitoring with early warning on potential risks and to date we have no significant delay in payment of our billed invoices, nor do we have any current issues with cash flow or indeed anticipate any near term ones which would impact our ability to trade on an ongoing basis.

### **Directors' qualifying third party indemnity provision**

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report and was in force during the year.

### **Disabled Persons**

The Company's policy is to give full and fair consideration to application for employment by disabled persons, having regard to their particular aptitudes and abilities.

Disabled employees receive appropriate training to promote their career development within the company.

Employees who become disabled are retained in their existing posts or suitable alternative posts where possible.

### **Employees**

The company has developed its communications processes with its employees to ensure greater understanding of and involvement in the business. This has been achieved through the in house intranet system also known as Freight Net, regular departmental/management meetings and staff newsletters.

Employees receive information on matters concerning them as employees by the company's Human Resources department by either letters or memorandum. Also once a year employees have an individual employee performance appraisal.

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## Directors' Report (continued)

A staff committee has been introduced so that employees' views can be taken into account in decisions that are likely to affect their interest.  
A performance plan is set out with clear objectives and KPIs for employees thus making a common awareness amongst all employees of the financial and economic factors affecting the performance of the company.

### Going concern

The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Société Nationale des Chemins de fer Français (SNCF). The directors have received confirmation that Société Nationale des Chemins de fer Français (SNCF) intend to support the company for at least one year after these financial statements are signed.

### Independent Auditors

The auditors PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the Annual General Meeting.

### Statement of directors' responsibilities in respect of the Financial Statements

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, 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.

### Statement of disclosure of information to auditors

Each of the persons who are a director at the date of approval confirms that:

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware and each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

On behalf of the board



G Harries  
Director

# Independent auditors' report to the members of Geodis FF United Kingdom Ltd

## Report on the audit of the financial statements

### Opinion

In our opinion, Geodis FF United Kingdom Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2020; the profit and loss account and 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### 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.

## Independent auditors' report to the members of Geodis FF United Kingdom Ltd (continued)

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 our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **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 2020 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 in respect of the financial statements, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

## Independent auditors' report to the members of Geodis FF United Kingdom Ltd (continued)

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to unethical and prohibited business practices and health and safety regulations in respect to their employees, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue and potential management bias in determining accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries of management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 obtained 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.



Alex Crompton (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Watford  
27 July 2021

## Financial Statements

### Profit and Loss account

for the year ended 31 December 2020

	Note	2020 £000	2019 £000
<i>Revenue</i>	2	109,252	123,470
Cost of sales		(88,395)	(97,637)
<i>Gross profit</i>		20,857	25,833
Distribution Costs		(11,725)	(14,534)
Administrative expenses		(12,880)	(13,372)
Other operating income		703	220
Finance Costs	6	(1,873)	(2,358)
Finance Income	7	41	212
<i>Loss before taxation</i>	5	(4,877)	(3,999)
Tax on loss	8	59	60
<i>Loss for the financial year</i>		(4,818)	(3,939)

All items dealt with in arriving at the activities before taxation relate to continuing operations.

Further comments on the profit and loss account line items are presented in the notes to the financial statements.

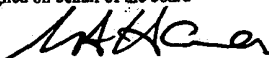
## Balance Sheet

as at 31 December 2020

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Intangible assets	9	23,453	28,443
Property, plant and equipment	10	474	759
		<u>23,927</u>	<u>29,202</u>
<b>Current assets</b>			
Trade and other Receivables	11	53,605	54,111
Cash		730	2,008
		<u>54,335</u>	<u>56,119</u>
<b>Trade payables : amounts falling due within one year</b>	12	<u>(82,428)</u>	<u>(84,700)</u>
<b>Net current liabilities</b>		<u>(28,093)</u>	<u>(28,581)</u>
<b>Total assets less current liabilities</b>		<u>(4,166)</u>	<u>621</u>
<b>Provisions for liabilities</b>	13	<u>(517)</u>	<u>(486)</u>
<b>Net (Liabilities)/Assets</b>		<u><u>(4,683)</u></u>	<u><u>135</u></u>
<b>Equity</b>			
Called up share capital	15	7,740	7,740
Profit and loss account		<u>(12,423)</u>	<u>(7,605)</u>
<b>Total shareholders' (deficit)/funds</b>		<u><u>(4,683)</u></u>	<u><u>135</u></u>

The notes on pages 16 to 28 form an integral part of these financial statements. The financial statements on pages 13 to 28 were approved by the Board of Directors on 27 July 2021

Signed on behalf of the board

  
G Harries  
Director

Date: 27th July 2021

## Statement of changes in equity

For the year ended 31 December 2020

	<i>Called up Share capital £000</i>	<i>Profit and loss account £000</i>	<i>Total shareholders' funds/(deficit) £000</i>
At 1 January 2019	7,740	(3,666)	4,074
Loss for the financial year	-	(3,939)	(3,939)
At 31 December 2019	7,740	(7,605)	135
Loss for the financial year	-	(4,818)	(4,818)
At 31 December 2020	7,740	(12,423)	(4,683)



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## Notes to the financial statements

For the year ended 31 December 2020

### 1. Accounting policies

#### Principal activities

The principal activity of the company is international freight forwarding by land, sea and air.

#### Company Information

Geodis FF United Kingdom Ltd is a company domiciled in England and Wales, registration number 621547. The registered office is LHR1 145 Faggs Road, Feltham, Middlesex, TW14 0LZ. Geodis FF United Kingdom Ltd is a private company limited by shares.

#### Compliance with accounting standards

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102- 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102), and with Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The financial statements are presented in Sterling (£).

#### Accounting Policies

The accounting policies applied below have been carried out consistently throughout the year, other than when new policies have been adopted.

#### Going concern

The directors have performed an assessment of the company's ability to continue as a going concern, despite the uncertainty over COVID they consider that they have sufficient resources and have received written confirmation of financial support from the parent company for a period of at least 12 months from the date of approval of these financial statements by the board of directors. As such, these financial statements have been prepared on the going concern basis.

#### Business Combinations

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Software development costs are recognised as an intangible asset.

Goodwill arising on acquisition represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Under the accounting standard FRS 102, Paragraph 19 (Goodwill and Intangible Assets), goodwill arising on acquisition has been capitalised and is being amortised on a straight-line basis.

Goodwill	10 Years
Other	5 - 12 Years
Software	3 Years

This period of amortisation is the period over which the directors expect the value of the underlying business acquired to exceed the value of the underlying assets. Impairment reviews are carried out at the end of the first full year following acquisition and thereafter as appropriate. During an impairment review, when it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the profit and loss account.

#### Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

## Notes to the financial statements (continued)

For the year ended 31 December 2020

### 1. Accounting policies (continued)

#### Key accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is addressed below.

#### i) Impairment of intangible assets and goodwill

Annually the company considers whether intangible assets and goodwill are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

#### ii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors historical experience and industry news. See note 11 for the net carrying amount of the debtors and associated impairment provision if any.

#### Property, plant and equipment

Property, plant and equipment are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

#### (i) Fixtures, fittings, tools and equipment

Fixtures, fittings, tools and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

#### (ii) Depreciation and residual values

Land is not depreciated. Depreciation on other assets is calculated, using the straight-line method, to allocate the cost to their residual values over their estimated useful lives, as follows

Short leasehold properties – over the period of the lease

Fixtures, Fittings and Equipment – 3 to 10 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

#### (iii) Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Other operating (losses)/gains'.

## Notes to the financial statements (continued)

For the year ended 31 December 2020

### 1. Accounting policies (continued)

#### Financial Instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

##### (i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

##### (ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

#### Deferred taxation

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

## Notes to the financial statements (continued)

For the year ended 31 December 2020

### 1. Accounting policies (continued)

#### Leases

At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

##### (i) Finance leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the company's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date. The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

##### (ii) Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

##### (iii) Lease incentives

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of present value of minimum lease payments. Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

The company has taken advantage of the exemption in respect of lease incentives on leases in existence on the date of transition to FRS 102 (1 January 2016) and continues to credit such lease incentives to the profit and loss account over the period to the first review date on which the rent is adjusted to market rates.

#### Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for freight forwarding services rendered, net of value added taxes. Revenue is recognised on date of arrival to or departure from the UK.

#### Defined contribution pension

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

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## Notes to the financial statements (continued)

For the year ended 31 December 2020

### 1. Accounting policies (continued)

#### Foreign currencies

##### (i) Functional and presentation currency

The company's functional and presentation currency is the pound sterling

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

#### Related party transactions

The company is a wholly owned subsidiary undertaking of Société Nationale des Chemins de fer Français (SNCF). As the company is included in the group financial statements of Société Nationale des Chemins de fer Français (SNCF), which are publicly available. The company has taken advantage of the exemption available under FRS 102, 'Related Party Disclosures', not to disclose transactions with entities that are part of the Geodis S.A. Group. There were no other related party transactions that require disclosure.

#### Cash flow statement

The company is a wholly owned subsidiary of Société Nationale des Chemins de fer Français (SNCF), and is included in the consolidated financial statement of Société Nationale des Chemins de fer Français (SNCF), which are publicly available. Accordingly, the company has taken advantage of the exemption available under FRS 102 (revised) not to present a cash flow statement.

#### Exemption from consolidation

The company is a wholly-owned subsidiary of Société Nationale des Chemins de fer Français (SNCF) and is included in the consolidated financial statements of Société Nationale des Chemins de fer Français (SNCF) which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

## Notes to the financial statements (continued)

For the year ended 31 December 2020

### 2. Revenue

Revenue by geographical destination is analysed below:

	2020	2019
	£000	£000
United Kingdom	56,836	55,319
Rest of Europe	15,722	20,854
Africa	2,384	2,084
Asia	18,112	16,049
North America	4,953	5,249
South America	749	1,049
Oceania	10,496	22,866
	<u>109,252</u>	<u>123,470</u>

All revenue is earned from Freight Forwarding.

### 3. Directors' emoluments

	2020	2019
	£000	£000
Aggregate emoluments	463	453
Contributions to money purchase pension schemes	20	20
	<u>483</u>	<u>473</u>

Retirement benefits are accruing to two directors under money purchase pension schemes (2019: two). There are no other retirement benefits accruing to directors.

Emoluments include amounts paid to:

	2020	2019
	£000	£000
<i>The highest paid director:</i>		
Emoluments	295	287
Contributions under money purchase pension schemes	13	13
	<u>307</u>	<u>300</u>

Two directors were not remunerated for their services to the company (2019: Two).

## Notes to the financial statements (continued)

For the year ended 31 December 2020

### 4. Employee information

	2020	2019
	£000	£000
Wages and salaries	10,094	11,609
Redundancy Costs	417	174
Social security costs	956	1,135
Other pension costs (see note 17)	400	439
	<u>11,867</u>	<u>13,357</u>

The monthly average number of persons employed by the company, excluding non-executive directors, during the year was:

	2020	2019
	Number	Number
Administrative	60	64
Operational	218	267
	<u>278</u>	<u>331</u>

### 5. Loss before taxation

Loss before taxation is stated after charging/income

	2020	2019
	£000	£000
Staff costs (see note 4)	11,867	13,357
Depreciation - owned tangible assets	378	394
Auditors' remuneration - audit services	47	46
Operating lease rentals	2,268	2,195
Amortisation	4,990	5,009
Exchange loss	375	159
Furlough Scheme Income	-638	-

### 6. Finance Costs

	2020	2019
	£000	£000
Finance costs on loans from Group undertakings	1,797	2,263
Other Finance Costs	76	95
	<u>1,873</u>	<u>2,358</u>

### 7. Finance Income

	2020	2019
	£000	£000
Finance Income from Group undertakings	41	212
	<u>41</u>	<u>212</u>

**Notes to the financial statements (continued)**

For the year ended 31 December 2020

**8. Tax on loss**

	2020 £000	2019 £000
<i>Current tax:</i>		
UK corporation tax on losses for the period	-	-
Adjustments in respect of previous periods	-	-
Total current tax	-	-
<i>Deferred tax:</i>		
Origination and reversal of timing differences	94	(67)
Adjustments in respect of previous periods	(4)	-
Effect of changes in tax rates	(149)	7
Total deferred tax (see note 16)	(59)	(60)
Total tax credit per Profit and Loss account	(59)	(60)

The credit for the year can be reconciled to the loss per the Profit and Loss account as follows:

	2020 £000	2019 £000
Loss before taxation - continuing operations	(4,877)	(3,999)
Loss before taxation multiplied by the standard rate of Corporation tax in the UK of 19.00% (2019: 19.00%)	(926)	(760)
<i>Effects of:</i>		
Expenses not deductible for taxable purposes	960	1,125
Income not taxable	-	(5)
Effects of group relief /other reliefs	-	-
Adjustments in respect of previous periods	(4)	-
Tax rate changes	(150)	7
Movement on losses unrecognized	61	(427)
Total tax credit for the year	(59)	(60)

The Finance Bill 2016 enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020. However, it was announced in the March 2020 Budget that the reduction in the UK rate to 17% will not occur. Therefore, the corporation tax rate will be held at 19%. As substantive enactment is after the balance sheet date, deferred tax balances as at 31 December 2019 are measured at a blended rate of 18.58%. This is calculated as follows: 17% for the period 1 January 2020 to 17 March 2020 (17% $\times$ 76/365) + 19% for the remainder of the year (19% $\times$ 289/365). If the 19% tax rate had been used, the deferred tax asset would have been £149,245 higher. Factors that may affect future tax charges, in the spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% had not been substantively enacted at the Statement of financial position date, its effects are not



**Notes to the financial statements (continued)**

For the year ended 31 December 2020

**9. Intangible assets**

	<i>Goodwill</i> £000	<i>Other</i> £000	<i>Software</i> £000	<i>Total</i> £000
<i>Cost:</i>				
At 1 January 2020	40,925	7,985	345	49,255
Additions	-	-	-	-
Acquisitions	-	-	-	-
At 31 December 2020	40,925	7,985	345	49,255
<i>Accumulated amortisation:</i>				
At 1 January 2020	16,914	3,553	345	20,812
Charge for the year	3,991	999	-	4,990
At 31 December 2020	20,905	4,552	345	25,802
<i>Net book value:</i>				
At 31 December 2020	20,020	3,433	-	23,453
At 31 December 2019	24,011	4,432	-	28,443

**10. Property, plant and equipment**

	<i>Short leasehold properties</i> £000	<i>Fixtures, fittings and equipment</i> £000	<i>Total</i> £000
<i>Cost:</i>			
At 1 January 2020	2,969	2,042	5,011
Additions	18	75	93
Disposals	(221)	(508)	(729)
At 31 December 2020	2,766	1,609	4,375
<i>Accumulated depreciation:</i>			
At 1 January 2020	2,349	1,903	4,252
Disposals	(221)	(508)	(729)
Charge for the year	217	161	378
At 31 December 2020	2,345	1,556	3,901
<i>Net book value:</i>			
At 31 December 2020	421	53	474
At 31 December 2019	620	139	759

## Notes to the financial statements (continued)

For the year ended 31 December 2020

### 11. Trade and other Receivables

	2020	2019
	£000	£000
Trade receivables	2,119	4,359
Amounts owed by Group undertakings	46,445	46,933
Other debtors	465	551
Deferred tax asset (see note 16)	1,328	1,269
Prepayments and accrued income	3,248	999
	<u>53,605</u>	<u>54,111</u>

Group Cash Pool is included in amounts owed by group undertakings and amount to £34,570,000 (2019: £39,893,000) and are computed at a market rate of 0.31% plus a margin of 0.65%. Other amounts owed by group undertakings are unsecured, interest free, both are repayable on demand.

### 12. Trade payables: amounts falling due within one year

	2020	2019
	£000	£000
Trade payables	11,967	11,759
Amounts owed to Group undertakings	64,423	66,144
Accruals and deferred income	6,038	6,797
	<u>82,428</u>	<u>84,700</u>

Group loans are included in the group undertakings, amounting to £59,656,000 (2019: £59,920,000) which carry interest of 3.75% and LIBOR + 1%. Maturity dates of these loans are between 2021 and 2023, we are intending to restructure these loans in the next twelve months, by utilising cash that is available as per note 11, hence we are showing these as current liability. The remaining amounts owed to group undertakings are unsecured, interest free and repayable on demand. On the 27th April 2021 we utilised £30,000,000 of our Group cash pool to settle part of our loans

### 13. Provision for liabilities

	£000
At 1 January 2020	486
Utilised	(99)
Charge to profit and loss	110
	<u>497</u>
At 31 December 2020	

Provision for dilapidation is being charged to the profit and loss in accordance with property leases for repairs that will be required on termination of the agreement, this provision is being built up for various leases all with different expiry dates from 2019 to 2024.

## Notes to the financial statements (continued)

For the year ended 31 December 2020

### 14. Financial Instruments

The company has the following financial instruments

	2020	2019
	£000	£000
<i>Financial Assets - measured at amortised cost</i>		
Trade receivables	2,119	4,359
Amounts owed by Group undertakings	46,445	46,933
Other debtors	465	551
	<u>49,029</u>	<u>51,843</u>

*Financial Liabilities - measured at amortised cost*

Trade payables	11,967	11,759
Amounts owed to Group undertakings	64,423	66,144
Accruals	6,038	6,797
	<u>82,428</u>	<u>84,700</u>

### 15. Called up share capital

	Nominal Value	2020	2019
	£1	£000	£000
Allotted, called up and fully/paid:			
Share capital issued		<u>7,740</u>	<u>7,740</u>
 Called Up Share Capital			
		<u>7,740</u>	<u>7,740</u>
Ordinary shares of £1 each		<u>7,740</u>	<u>7,740</u>

## Notes to the financial statements (continued)

For the year ended 31 December 2020

### 16. Deferred tax

	<i>Asset recognised</i>	
	<i>2020</i>	<i>2019</i>
	<i>£000</i>	<i>£000</i>
Fixed asset timing differences	964	838
Losses	364	431
	<u>1,328</u>	<u>1,269</u>
		<i>Asset</i>
		<i>£000</i>
Balance at 1 January 2020		1,269
Credited to P&L for the year		59
		<u>1,328</u>
		<i>Asset not recognised</i>
	<i>2020</i>	<i>2019</i>
	<i>£000</i>	<i>£000</i>
Timing differences - trading	(71)	(54)
Losses	(2,663)	(2,278)
	<u>(2,734)</u>	<u>(2,332)</u>

Deferred tax has been recognised as the directors are expecting to return to profitability and intend to recover this over the foreseeable future.

### 17. Pension scheme

The company operates a Money Purchase Pension Scheme. The assets of the scheme are held and administered by The Standard Life Assurance Company. The total pension cost charge represents contributions payable by the company to the scheme and in the year amounted to £400,000 (2019: £439,000). There were no contributions outstanding or prepaid at 31 December 2020 (2019: £nil).

### 18. Leasing commitments

The company has commitments under non-cancellable operating leases as follows at 31 December:

	<i>2020</i>	<i>2019</i>
	<i>£000</i>	<i>£000</i>
<i>Operating leases which expire:</i>		
Within one year	11	2,105
Within two and five years	6,831	6,082
After five years	336	151
	<u>7,178</u>	<u>8,338</u>

## Notes to the financial statements (continued)

For the year ended 31 December 2020

### 19. Contingent liabilities

The company has given certain indemnities in respect of customs duties and freight charges totalling £1,160,000 (2019: £1,160,000). Community Transit which allows goods to move between two points within the UK or EU community without being subject to import duties and other charges, totalling to nil (2019: nil) and International Air Transport Association (IATA) totalling to £6,345,000 (2019: £6,660,000).

### 20. Ultimate parent undertaking and controlling party

The immediate parent undertaking at the balance sheet date was Geodis International SA, a company registered in France. The ultimate parent undertaking and controlling party is Société Nationale des Chemins de fer Français (SNCF) an industrial and commercial public institution. SNCF is registered on the Register of Commerce of Paris no B.552.049.447, and whose Registered Office is at 37 rue du Commandant Mouchotte, 75014 France. Copies of consolidated financial statements can be obtained from the registered office above.