

Containerships (UK) Ltd

Annual report and financial statements

Registered number 02237324

31 December 2019



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Strategic report

The directors present their strategic report for the year ended 31 December 2019.

Principal activities

The principal activities of the company during the year were those of haulage contractors and shipping agents.

Business review and results

During 2019 we continued to grow our operations with our turnover increasing further by 12%. We have been faced with many positives from November 2018 which saw us merge and become a part of the CMA CGM Group including, but not exhausted to, better utilisation of our own trucking fleet. Where we are able to back load more over a larger geographical area.

Unfortunately, during 2019 we also suffered a loss on disposal of fixed assets due to us ceasing the LNG trucks due to safety issues. The years financial statements are hit with a fairly large loss due to this however trade has continued as normal and we continue to grow.

In 2020 we have again faced many positives despite the global pandemic and are investing in our driver fleet both present and future with our recognised in-house training.

Due to the nature of the company's operations the impact of COVID-19 has not been significant. Management continue to monitor any potential risks and ensure suitable mitigation is in place, such as remote working and increased focus on safety and social distancing. Following the loss on disposal of fixed assets recognised during 2019, management have seen results return to expected profitability during 2020, despite any impacts from COVID-19 and Brexit.

Key performance indicators

The board reviews and monitors progress against its objectives on a regular basis, including the following KPIs:

	2019 £	2018 £
Turnover	19,817,946	17,621,196
Operating (loss)/profit	(677,326)	193,823
Shareholders' funds	1,111,577	1,729,649

Principal risks and uncertainties

The key business risks affecting the business are considered to relate to fuel prices both for vessels and road vehicles. The global economic situation may also affect traffic volumes significantly, requiring constant monitoring and an ability to respond and react rapidly. Environmental and governmental influences on the market sector are also a major risk to our customers' and our business alike.

The Directors continue to monitor the risk around Brexit and the wider uncertainty it brings to the haulage and shipping industry. Due to arrangements with other group companies the Directors do not anticipate a significant impact because of Brexit however continue to monitor the situation closely.

Signed on behalf of the Board

M Copsey
Director

Haverton Hill Road
Billingham
Cleveland
TS23 1PS

19th February 2021

Directors' report

The directors present their directors report for the year ended 31 December 2019.

Proposed dividend

The directors do not recommend the payment of a dividend (2018: £nil).

Directors

The directors who held office during the year were as follows:

P Noppari	Appointed 14 September 2018 and resigned 26 April 2019
KP Laaksonen	Appointed 31 October 2019 and resigned 29 March 2019
G Lathelize	Appointed 31 October 2018 and resigned 01 December 2020
CS Lebel	Appointed 29 March 2019 and resigned 26 June 2020
S Melville	Appointed 26 April 2019
M Copsey	Appointed 11 March 2020
D Foley	Appointed 11 March 2020
JS Paine	Appointed 11 March 2020
R Waterman	Appointed 26 June 2020

Political contributions

The company made no political donations or incurred any political expenditure during the year.

Going concern

The COVID-19 global pandemic is a non-adjusting post balance sheet event. The financial impact on the Company and associated risks are discussed within the strategic report. The Directors are satisfied at the date of signing that the company is a going concern and further details are provided in the going concern section of the accounting policies note on pages 10 and 11.

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

M Copsey
Director

Haverton Hill Road
Billingham
Cleveland
TS23 1PS

19th February 2021

Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

Independent auditor's report to the members of Containerships (UK) Ltd

Opinion

We have audited the financial statements of Containerships (UK) Ltd ("the company") for the year ended 31 December 2019 which comprise Profit and loss and other comprehensive income, the Balance sheet, the Statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Independent auditor's report to the members of Containerships (UK) Ltd (*continued*)

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

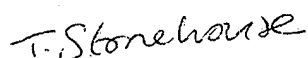
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent auditor's report to the members of Containerships (UK) Ltd (continued)

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Tara Stonehouse (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

25 February 2021

Profit and loss account and other comprehensive income
for the year ended 31 December 2019

	<i>Note</i>	2019 £	2018 £
Turnover	2	19,817,946	17,621,196
Cost of sales		(15,650,741)	(13,688,404)
Gross profit		4,167,205	3,932,792
Administrative expenses		(4,844,531)	(3,738,969)
Operating (loss)/profit		(677,326)	193,823
Interest receivable and similar income	6	43	53
Interest payable and similar expenses	7	(34,490)	(23,848)
(Loss)/profit before taxation		(711,773)	170,028
Tax credit/(charge) on loss/profit	8	93,701	(36,271)
(Loss)/profit for the financial year		(618,072)	133,757
Other comprehensive income		-	-
Total comprehensive (expense)/income		(618,072)	133,757

All results derive from continuing activities.

Balance sheet
at 31 December 2019

	<i>Note</i>	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	9		1,031,144		1,525,830
Current assets					
Debtors	10	5,523,939		5,588,186	
Cash at bank and in hand		75,232		24,614	
		<u>5,599,171</u>		<u>5,612,800</u>	
Creditors: amounts falling due within one year	11	(5,281,896)		(5,348,280)	
Net current assets			317,275		264,520
Total assets less current liabilities			<u>1,348,419</u>		<u>1,790,350</u>
Creditors: amounts falling due after more than one year	12		(236,842)		-
Provisions for liabilities					
Deferred tax liability	13				(60,701)
Net assets			<u>1,111,577</u>		<u>1,729,649</u>
Capital and reserves					
Called up share capital	14	50,000		50,000	
Profit and loss account		1,061,577		1,679,649	
Shareholders' funds			<u>1,111,577</u>		<u>1,729,649</u>

These financial statements were approved by the board of directors on 19th February 2021 and were signed on its behalf by:


M. Copsey
Director

Company registered number: 02237324

Statement of changes in equity

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2018	50,000	1,545,892	1,595,892
Total comprehensive income for the period			
Profit	-	133,757	133,757
Balance at 31 December 2018	50,000	1,679,649	1,729,649
Balance at 1 January 2019	50,000	1,679,649	1,729,649
Total comprehensive expense for the period			
Loss	-	(618,072)	(618,072)
Balance at 31 December 2019	50,000	1,061,577	1,111,577

Notes

(forming part of the financial statements)

1 Accounting policies

Containerships (UK) Ltd (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 0223 7324 and the registered address is Haverton Hill Road, Billingham, Cleveland, TS23 1PS.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling.

The Company's ultimate parent undertaking, CMA CGM S.A. includes the Company in its consolidated financial statements. The consolidated financial statements of CMA CGM S.A. are available to the public and may be obtained from the address given in note 17. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to the end of the period;
- Cash Flow Statement and related notes; and
- Key management personnel compensation.

As the consolidated financial statements of CMA CGM S.A. include the equivalent disclosures, the company has also taken the exemptions available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 18.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

Notwithstanding a loss for the year ended 31 December 2019 of £618,072 the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The company is part of a wider group business model by which group companies at times provide and receive services from each other and as needed use group funding and cash pool arrangements.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides, the company will have sufficient funds, through funding from its parent company, CMA CGM GmbH, to meet its liabilities as they fall due for that period. Downside scenarios include a 10% reduction in sales and slower customer receipts (increasing debtor days by 60 days) which may arise as a result of the COVID-19 pandemic.

Notes (continued)

1 Accounting policies (continued)

Going concern (continued)

The forecasts are dependent on CMA CGM GmbH providing sufficient financial support to the Company through continuing participation in the group cash pool arrangements. CMA CGM GmbH has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. The directors of the company have assessed the ability, intent and economic rationale for the group to provide this support and are satisfied that CMA CGM S.A will provide the required support. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described below.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful economic lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Leasehold land and buildings	-	life of lease
Fittings and equipment	-	6 to 10 years
Containers	-	7 years
Motor vehicles	-	5 to 7 years

Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Notes (continued)

1 Accounting policies (continued)

Expenses (continued)

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable and finance leases recognised in profit or loss using the effective interest method, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Notes (continued)

1 Accounting policies (continued)

Employee benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of the value added tax and other sales related taxes.

Turnover is recognised when the service has been provided, which is determined to be on delivery for general haulage activity.

The company operates under an agency agreement with its parent company in respect of freight sales. Commission for freight sales made as an agent is recognised in turnover on issue of a bill of lading.

Dividends on shares presented within shareholders' funds

Dividends are only recognised as a liability at that date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2 Turnover

All turnover arises in the United Kingdom.

Analysis of turnover by principal activity is given below:

	2019 £	2018 £
Haulage contractor services	19,606,771	17,409,767
Commission on freight sales	211,175	211,429
	<hr/>	<hr/>
	19,817,946	17,621,196
	<hr/>	<hr/>

Notes (continued)

3 Expenses and auditor's remuneration

Included in loss/profit for the year are the following:

	2019 £	2018 £
<i>Auditor's remuneration:</i>		
Audit of these financial statements	25,000	21,833

	2019 £	2018 £
Loss on disposal of fixed assets (note 9)	510,012	-

4 Directors' remuneration

	2019 £	2018 £
Directors' emoluments	85,018	94,315
Company contributions to money purchase pension schemes	4,013	7,750

	Number of directors	
	2019	2018
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	1	1

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2019	2018
Drivers and maintenance	153	147
Sales	4	7
Administration	44	39
	201	193

The aggregate payroll costs of these persons were as follows:

	2019 £	2018 £
Wages and salaries	6,900,024	6,296,830
Social security costs	694,756	668,426
Contributions to defined contribution plans (note 16)	156,997	103,159
	7,751,777	7,068,415

Notes (continued)

6 Interest receivable and similar income

	2019 £	2018 £
On bank deposits	43	53
	<u>43</u>	<u>53</u>

7 Interest payable and similar expenses

	2019 £	2018 £
On bank overdrafts	15,796	9,888
Finance charges payable in respect of finance leases and hire purchase contracts	18,694	13,960
	<u>34,490</u>	<u>23,848</u>

8 Taxation

Total tax expense recognised in the profit and loss account

	2019 £	£	2018 £	£
<i>Current tax</i>				
Adjustment in respect of previous years	(8,133)		17,646	
	<u>(8,133)</u>		<u>17,646</u>	
Total current tax		(8,133)		17,646
<i>Deferred tax (see note 13)</i>				
Origination/reversal of timing differences	(96,463)		18,625	
Effect of changes in tax rates	10,895		-	
	<u>(85,568)</u>		<u>18,625</u>	
Total deferred tax (credit)/charge		(85,568)		18,625
Total tax (credit)/charge		<u>(93,701)</u>		<u>36,271</u>

Notes (continued)

8 Taxation (continued)

Reconciliation of effective tax rate

	2019 £	2018 £
(Loss)/profit for the year	(618,072)	133,757
Total tax (credit)/charge	(93,701)	36,271
(Loss)/profit excluding tax	(711,773)	170,028
Current tax at 19% (2019: 19%)	(135,237)	32,305
Expenses not deductible for tax purposes	755	6,025
Other timing differences	38,019	(2,059)
Adjustment in respect of prior years	(8,133)	-
Effect of changes in tax rates	10,895	-
Total tax (credit)/expense	(93,701)	36,271

Factors that may affect future current and total tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016, and the UK deferred tax assets as at 31 December 2019 has been calculated based on this rate.

The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will increase the company's future current tax charge accordingly and increase the deferred tax assets.

9 Tangible fixed assets

	Leasehold improvements £	Fixtures, fittings, equipment and motor vehicles £	Total £
Cost			
At beginning of year	843,326	2,114,915	2,958,241
Additions	128,434	33,125	161,559
Disposals	-	(980,922)	(980,922)
At end of year	971,760	1,167,118	2,138,878
Depreciation			
At beginning of year	261,850	1,170,561	1,432,411
Charge for year	29,926	116,308	146,234
On disposals	-	(470,911)	(470,911)
At end of year	291,776	815,958	1,107,734
Net book value			
At 31 December 2019	679,984	351,160	1,031,144
At 1 January 2019	581,476	944,354	1,525,830

Notes (continued)

9 Tangible fixed assets (continued)

During the year the Company took the strategic decision to cease using a specific class of motor vehicle. This resulted in a loss on disposal of £510k which has been reflected in administrative expenses.

10 Debtors

	2019 £	2018 £
Trade debtors	2,986,105	2,645,706
Amounts owed by group undertakings	2,097,681	2,401,292
Other debtors	64,809	121,221
Prepayments and accrued income	327,886	405,509
Corporation tax	22,591	14,458
Deferred tax assets (note 13)	24,867	-
	<u>5,523,939</u>	<u>5,588,186</u>

11 Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	-	497,456
Trade creditors	1,598,210	1,440,022
Other taxes and social security	113,254	158,875
Other creditors	45,271	24,322
Accruals and deferred income	281,307	190,990
Amounts owed to group undertakings	3,243,854	3,036,615
	<u>5,281,896</u>	<u>5,348,280</u>

The bank loans and overdrafts are secured against the assets of the Company.

12 Creditors: amounts falling after more than one year

	2019 £	2018 £
Other loans	236,842	-
	<u>236,842</u>	<u>-</u>

The Company's interest-bearing loans and borrowings are measured at amortised cost.

The loan is repayable in equal annual instalments of £23,684 ending in 2028 and bears interest at 2% over EURIBOR.

Notes (continued)

13 Deferred tax assets/liabilities

The movement in the year is as follows:

	2019	2018
	£	£
At beginning of year	(60,701)	(42,076)
Credit/(charge) in year (note 8)	85,568	(18,625)
	<u>24,867</u>	<u>(60,701)</u>
At end of year (note 10)	<u>24,867</u>	<u>(60,701)</u>

Deferred tax assets/liabilities are attributable to the following:

	2019	2018
	£	£
Accelerated capital allowances	21,783	(69,189)
Other timing differences	1,451	8,488
Losses	1,633	-
	<u>24,867</u>	<u>(60,701)</u>
	<u>24,867</u>	<u>(60,701)</u>

The deferred tax assets/liabilities have been calculated at the tax rate of 17% substantively enacted at the balance sheet date.

14 Called up share capital

	2019	2018
	£	£
<i>Allotted, called up and fully paid</i>		
50,000 Ordinary shares of £1 each	50,000	50,000
	<u>50,000</u>	<u>50,000</u>

15 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2019	2018
	£	£
Operating leases which expire:		
Within one year	1,845,252	2,444,482
In the second to fifth years inclusive	3,141,073	4,312,530
More than 5 years	2,234,615	1,560,000
	<u>7,220,940</u>	<u>8,317,012</u>
	<u>7,220,940</u>	<u>8,317,012</u>

During the year £3,555,646 was recognised as an expense in the profit and loss account in respect of operating leases (2018: £2,958,287).

Notes (continued)

16 Employee benefits

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £156,997 (2018: £103,159).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

17 Ultimate parent company and parent undertaking of larger group of which the company is a member

The Company is a subsidiary undertaking of CMA CGM GmbH and its ultimate parent company is CMA CGM S.A. The results of the Company are consolidated within CMA CGM S.A.'s accounts. The consolidated financial statements of this group are available to the public and may be obtained from CMA CGM Marseille Head Office, 4, quai d'Arenc 13235 Marseille cedex 02 France, Registration Number 562 024 422 Marseille.

18 Accounting estimates and judgements

In the preparation of the financial statements, it is necessary for the management of the company to make estimates and certain assumptions that can affect the valuation of the assets and liabilities and the outcome of the income statement. The actual outcome may differ from these estimates and assumptions. The most significant estimates made in these accounts relate to the useful lives of tangible fixed assets (note 9) and the company's treatment of certain transactions acting as agent rather than principal (note 1). The directors have applied a useful economic lives of between 5-10 years or the life of the lease to tangible fixed assets and consider this to be appropriate based upon their expected lives. The directors continue to review certain of the company's supplier/customer relationships including an evaluation of the risks and responsibilities undertaken by the company in these transactions and have concluded that it acts as an agent in certain transactions rather than principal.

19 Post balance sheet events

All Government guidance and regulations in relation to COVID-19 have been followed during 2020. This has not had a significant impact on the Company's operations, as such the Directors do not believe there are any relevant material non-adjusting post balance sheet events to disclose.