

Containerships (UK) Limited

Annual report and financial statements

Registered number 02237324

31 December 2015

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Strategic report

The directors present their strategic report for the year ended 31 December 2015.

Principal activities

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

Business review and results

Throughout 2015 the strength of GBP continued to have an adverse effect on the performance of the business due to reduced export volumes to our key markets. However the reverse was seen in our import volumes which grew by c. 20% compared to 2014. Downward pressure on haulage rates and the imbalance of import and export flows had the combined effect of reducing turnover by 7%. Nevertheless the full year benefit of previous and ongoing cost reduction initiatives, combined with efficiency improvements, resulted in a 30% increase in operating profit compared to 2014.

The UK business was chosen by the Containership Group to pioneer the development of the LNG (liquid natural gas) dual fuel trucking fleet and this initiative received co-funding from Innovate UK for the conversion of 40 diesel fuelled trucks. The conversion programme started in late 2014 and the delivery of the first dual fuel trucks took place in 2015. The lower oil and diesel prices experienced during 2015 made the financial case for converting to the greener LNG option difficult. However in accordance with the Group's ambition to create a green end to end supply chain based on the use of LNG to fuel both its trucking and shipping fleets the Group continued to support the conversion programme. This investment decision is now being recognised and rewarded by our existing and new clients as they look at options to decarbonise their own supply chains and we are confident that these dividends will be to the long term benefit of all concerned.

Key performance indicators

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

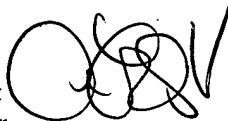
	2015 £	2014 £
Turnover	10,765,381	11,533,482
Operating profit	374,193	287,326
Shareholders' funds	1,069,003	785,736

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.

Signed on behalf of the Board

A Frost
Director



Haverton Hill Road
Billingham
Cleveland
TS23 1PS

28/09/2016

Directors' report

The directors present their directors report for the year ended 31 December 2015.

Proposed dividend

The directors do not recommend the payment of a dividend (2014: £nil).

Directors

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

A Frost
HRG Nordstrom
KNH Nordstrom
VKR Nordstrom

Political contributions

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

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



A Frost
Director

Haverton Hill Road
Billingham
Cleveland
TS23 1PS

28/09/2016

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



KPMG LLP

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

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

We have audited the financial statements of Containerships (UK) Limited for the year ended 31 December 2015 set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities 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. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



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

29 September 2016

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 December 2015

	<i>Note</i>	2015 £	2014 £
Turnover	2	10,765,381	11,533,482
Cost of sales		(7,474,120)	(7,155,691)
Gross profit		3,291,261	4,377,791
Administrative expenses		(2,917,068)	(4,090,465)
Operating profit		374,193	287,326
Interest receivable and similar income	6	113	87
Interest payable and similar charges	7	(18,282)	(21,035)
Profit on ordinary activities before taxation	2-7	356,024	266,378
Tax on profit on ordinary activities	8	(72,757)	(60,196)
Profit for the financial year		283,267	206,182
Other comprehensive income		-	-
Total comprehensive income		283,267	206,182

All results derive from continuing activities.

Balance sheet
at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	9	537,760	469,662
Current assets			
Debtors	10	2,972,598	2,931,339
Cash at bank and in hand		1,534,029	216,129
		<u>4,506,627</u>	<u>3,147,468</u>
Creditors: amounts falling due within one year	11	<u>(3,787,396)</u>	<u>(2,800,572)</u>
Net current assets		<u>719,231</u>	<u>346,896</u>
Total assets less current liabilities		<u>1,256,991</u>	<u>816,558</u>
Creditors: amounts falling due after more than one year	12	(165,000)	(5,833)
Provisions for liabilities			
Deferred tax liability	13	(22,988)	(24,989)
Net assets		<u>1,069,003</u>	<u>785,736</u>
Capital and reserves			
Called up share capital	14	50,000	50,000
Profit and loss account		1,019,003	735,736
Shareholders' funds		<u>1,069,003</u>	<u>785,736</u>

These financial statements were approved by the board of directors on 28th Sep 2016 and were signed on its behalf by:



A Frost
Director

Company registered number: 02237324

Statement of Changes in Equity

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2014	50,000	529,554	579,554
Total comprehensive income for the period			
Profit	-	206,182	206,182
Balance at 31 December 2014	50,000	735,736	785,736
Balance at 1 January 2015	50,000	735,736	785,736
Total comprehensive income for the period			
Profit	-	283,267	283,267
Balance at 31 December 2015	50,000	1,019,003	1,069,003

Notes

(forming part of the financial statements)

1 Accounting policies

Containerships (UK) Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK.

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”) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments.

The Company’s ultimate parent undertaking, Containerships Oy includes the Company in its consolidated financial statements. The consolidated financial statements of Containerships Oy 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 Containerships Oy include the equivalent disclosures, the company has also taken the exemptions under FRS 102 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

The company’s business activities, together with the factors likely to affect its future development, performance and position are set out in the business review on page 1.

The company has £0.7m net current assets, including a net £0.7m due from group undertakings.

The group headed by Containerships Limited Oy recorded an operating profit in 2015 and has substantial net assets. Detailed information regarding the financial position of the group, its cash flows, liquidity position and borrowing facilities are included in the financial statements of Containerships Limited Oy, which can be obtained from the address given in note 17.

After making enquiries and taking into account the factors discussed above, the directors are confident that the company has adequate resources to continue in operational existence for the foreseeable future and accordingly, they continue to prepare the financial statements on a going concern basis.

Notes (continued)

1 Accounting policies (continued)

Tangible fixed assets and depreciation

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 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.

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.

Notes (continued)

1 Accounting policies (continued)

Expenses (continued)

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 share

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.

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.

Notes (continued)

1 Accounting policies (continued)

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.

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:

	2015 £	2014 £
Haulage contractor services	10,598,310	11,319,485
Commission on freight sales	167,071	213,997
	<u>10,765,381</u>	<u>11,533,482</u>

Notes (continued)

3 Expenses and auditor's remuneration

	2015 £	2014 £
<i>Auditor's remuneration:</i>		
Audit of these financial statements	21,433	23,395
Taxation compliance services	4,200	3,500
	<u>25,633</u>	<u>26,895</u>

4 Directors' remuneration

	2015 £	2014 £
Directors' emoluments	113,110	125,000
Company contributions to money purchase pension schemes	11,350	10,550
	<u>124,460</u>	<u>135,550</u>

Number of directors 2015 2014

Retirement benefits are accruing to the following number of directors under:

Money purchase schemes	1	1
	<u>1</u>	<u>1</u>

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 2015	2014
Drivers and maintenance	85	78
Sales	8	8
Administration	42	36
	<u>135</u>	<u>122</u>

The aggregate payroll costs of these persons were as follows:

	2015 £	2014 £
Wages and salaries	3,890,128	3,741,770
Social security costs	369,989	380,268
Contributions to defined contribution plans (note 16)	98,043	106,103
	<u>4,358,160</u>	<u>4,228,141</u>

Notes (continued)

6 Interest receivable and similar income

	2015 £	2014 £
On bank deposits	113	87

7 Interest payable and similar charges

	2015 £	2014 £
On bank overdrafts	11,160	18,300
Finance charges payable in respect of finance leases and hire purchase contracts	7,122	2,735
	18,282	21,035

8 Taxation

Total tax expense recognised in the profit and loss account

	2015 £		2014 £	
<i>Current tax</i>				
Current tax on income for the period	75,206		53,859	
Adjustment in respect of previous years	(448)		(105)	
	<hr/>		<hr/>	
Total current tax		74,758		53,754
<i>Deferred tax (see note 13)</i>				
Origination/reversal of timing differences	498		6,442	
Change in tax rate	(2,499)		-	
	<hr/>		<hr/>	
Total deferred tax		(2,001)		6,442
		<hr/>		<hr/>
Total tax		72,757		60,196

Notes (continued)

8 Taxation (continued)

Reconciliation of effective tax rate

	2015 £	2014 £
Profit for the year	283,267	206,182
Total tax expense	72,757	60,196
Profit excluding tax	356,024	266,378
Current tax at 20.25% (2014: 21.49%)	72,083	57,271
Expenses not deductible for tax purposes	865	1,867
Other timing differences	2,818	1,163
Change in tax rate	(2,561)	(6,442)
Adjustment in respect of prior years	(448)	(105)
Total current tax charge (see above)	72,757	60,196

Factors that may affect future current and total tax charges

The main rate of UK corporation tax reduced from 21% to 20% on 1 April 2015. Further reductions to 19%, effective from 1 April 2017, and 18%, effective from 1 April 2020 were substantively enacted on 26 October 2015. In the Budget on 16 March 2016 the Chancellor announced a planned further reduction to 17% from 1 April 2020, however, this has not yet been substantively enacted. This will reduce the company's future current tax charge accordingly.

9 Tangible fixed assets

	Leasehold improvements £	Fittings and equipment £	Motor vehicles £	Total £
Cost				
At beginning of year	385,783	763,362	559,798	1,708,943
Additions	135,913	40,340	12,400	188,653
Disposals	-	(33,300)	(153,566)	(186,866)
At end of year	521,696	770,402	418,632	1,710,730
Depreciation				
At beginning of year	174,237	658,872	406,172	1,239,281
Charge for year	13,920	26,763	40,601	81,284
On disposals	-	(32,421)	(115,174)	(147,595)
At end of year	188,157	653,214	331,599	1,172,970
Net book value				
At 31 December 2015	333,539	117,188	87,033	537,760
At 1 January 2015	211,546	104,490	153,626	469,662

Notes (continued)

9 Tangible fixed assets (continued)

Included in the total net book value of motor vehicles is £12,897 (2014: £25,593) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £3,068 (2014: £7,518).

10 Debtors

	2015 £	2014 £
Trade debtors	1,145,616	1,210,279
Amounts owed by group undertakings	1,519,513	1,441,357
Other debtors	130,271	116,936
Prepayments and accrued income	177,198	162,767
	<u>2,972,598</u>	<u>2,931,339</u>

11 Creditors: amounts falling due within one year

	2015 £	2014 £
Bank loans and overdrafts (see note 12)	524,836	602,459
Obligations under finance leases and hire purchase contracts (see note 12)	5,833	10,333
Trade creditors	2,178,859	1,891,729
Corporation tax	75,206	53,754
Other taxes and social security	44,228	91,338
Other creditors	23,107	29,263
Accruals and deferred income	144,231	121,696
Amounts owed to group undertakings	791,096	-
	<u>3,787,396</u>	<u>2,800,572</u>

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

12 Creditors: amounts falling due after more than one year

	2015 £	2014 £
Obligations under finance leases and hire purchase contracts	-	5,833
Bank loans	165,000	-
	<u>165,000</u>	<u>5,833</u>

The bank loan (including amounts in note 11) is repayable in equal quarterly instalments of £15,000 ending in May 2019 and bears interest at 2.5% over LIBOR.

Notes (continued)

12 Creditors: amounts falling due after more than one year (continued)

Finance lease liabilities are payable as follows:

	Minimum lease payments 2015 £	Minimum lease payments 2014 £
Less than one year	6,355	11,246
In the second to fifth years	-	6,355
	<hr/>	<hr/>
	6,355	17,601
Less future finance charges	(522)	(1,435)
	<hr/>	<hr/>
	5,833	16,166
	<hr/>	<hr/>

Obligations under finance leases and hire purchase contracts are secured against the assets to which they relate.

13 Deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	2015 £	2014 £
Accelerated capital allowances	22,988	24,989
	<hr/>	<hr/>

The movement in deferred tax has been credited to income in the year (note 8). The deferred tax liability has been calculated at the tax rate of 18% substantively enacted at the balance sheet date.

14 Called up share capital

	2015 £	2014 £
<i>Allotted, called up and fully paid</i>		
50,000 Ordinary shares of £1 each	50,000	50,000
	<hr/>	<hr/>

Notes (continued)

15 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2015 £	2014 £
Operating leases which expire:		
Within one year	1,246,229	345,828
In the second to fifth years inclusive	4,609,255	2,558,457
	<u>5,855,484</u>	<u>2,904,285</u>

During the year £1,879,854 was recognised as an expense in the profit and loss account in respect of operating leases (2014: £1,887,412).

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 £98,043 (2014: £106,103).

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 Containerships Limited Oy, the ultimate parent company incorporated in Finland.

The only group in which the results of the company are consolidated is that headed by Containerships Limited Oy. The consolidated financial statements of this group are available to the public and may be obtained from Containerships Limited Oy, Mannerheimintie 15a, 00260 Helsinki, Finland.

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. The directors have applied a useful economic lives of between 5-7 years or the life of the lease to tangible fixed assets and consider this to be appropriate based upon their expected lives. The directors have reviewed 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.