

**Containerships (UK) Limited**

**Annual report and financial statements**

**Registered number 02237324**

**31 December 2017**

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## Strategic report

The directors present their strategic report for the year ended 31 December 2017.

### Principal activities

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

### Business review and results

2017 was another pleasing result with turnover increasing by 17% however our operating profit decreased by 58% compared to 2016. The company experienced continued growth in import volumes with our 2017 imports growth being 14%. Whilst export volumes remained stagnant previously we also saw an increase in 2017 of 14%. We do continue to look at ways of cost saving however there are certain operating cost elements, such as the increase in fuel prices, which have impacted our profit result. In addition to this, during the year, we increased our fleet from 65 trucks to 95 giving us the opportunity to increase our driver fleet and plan to continue our growth during 2018.

As the Containerships Group continues to invest heavily in cleaner Liquefied Natural Gas (LNG) for its shipping operations, here in the UK we continue to do the same for our trucking operations. We now operate 40 LNG with an additional 15 trucks being converted during 2018. As we decarbonise our supply chain offering we continue to attract interest from multi-national clients who are looking to do the same and it is our strong belief that the foresight and investment strategy of the Group will pay dividends for all concerned for many years to come.

### Key performance indicators

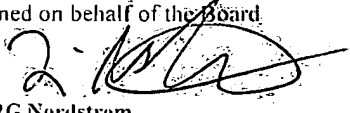
The board reviews and monitors progress against its objectives on a regular basis, including the following KPIs:

	2017 £	2016 £
Turnover	13,297,599	11,369,664
Operating profit	204,519	489,218
Shareholders' funds	1,595,892	1,450,087

### 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

  
IIRG Nordstrom  
Director

Haverton Hill Road  
Billingham  
Cleveland  
TS23 1PS

19 September 2018

## Directors' report

The directors present their directors report for the year ended 31 December 2017.

### Proposed dividend

The directors do not recommend the payment of a dividend (2016: £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.

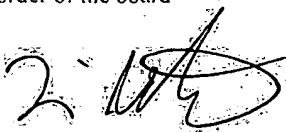
### Disclosure of information to auditor

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



HRG Nordstrom  
Director

Haverton Hill Road  
Billingham  
Cleveland  
TS23 1PS

19 September 2018

## **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) Limited**

#### **Opinion**

We have audited the financial statements of Containerships (UK) Limited ("the company") for the year ended 31 December 2017 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 2017 and of its profit 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**

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

#### **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.

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

### **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](http://www.frc.org.uk/auditorsresponsibilities).

### **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.



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

26 September 2018

**Profit and loss account and other comprehensive income**  
*for the year ended 31 December 2017*

	<i>Note</i>	<b>2017</b> £	<b>2016</b> £
Turnover	2	13,297,599	11,369,664
Cost of sales		(10,004,291)	(8,090,929)
<b>Gross profit</b>		<b>3,293,308</b>	<b>3,278,735</b>
Administrative expenses		(3,088,789)	(2,789,517)
<b>Operating profit</b>		<b>204,519</b>	<b>489,218</b>
Interest receivable and similar income	6	168	102
Interest payable and similar expenses	7	(17,408)	(19,979)
<b>Profit before taxation</b>		<b>187,279</b>	<b>469,341</b>
Tax on profit	8	(41,474)	(88,257)
<b>Profit for the financial year</b>		<b>145,805</b>	<b>381,084</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>145,805</b>	<b>381,084</b>

All results derive from continuing activities.



**Balance sheet**  
*at 31 December 2017*

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	9	912,681	798,296
<b>Current assets</b>			
Debtors	10	5,317,439	3,415,623
Cash at bank and in hand		651,474	1,305,245
		<u>5,968,913</u>	<u>4,720,868</u>
Creditors: amounts falling due within one year	11	(5,198,626)	(3,923,290)
		<u>770,287</u>	<u>797,578</u>
<b>Net current assets</b>			
		770,287	797,578
<b>Total assets less current liabilities</b>		<u>1,682,968</u>	<u>1,595,874</u>
Creditors: amounts falling due after more than one year	12	(45,000)	(105,000)
<b>Provisions for liabilities</b>			
Deferred tax liability	13	(42,076)	(40,787)
		<u>1,595,892</u>	<u>1,450,087</u>
<b>Net assets</b>			
		1,595,892	1,450,087
<b>Capital and reserves</b>			
Called up share capital	14	50,000	50,000
Profit and loss account		1,545,892	1,400,087
		<u>1,595,892</u>	<u>1,450,087</u>
<b>Shareholders' funds</b>			
		1,595,892	1,450,087

These financial statements were approved by the board of directors on 19 September 2018 and were signed on its behalf by:



**HRG Nordstrom**  
Director

Company registered number: 02237324

## Statement of changes in equity

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2016	50,000	1,019,003	1,069,003
<b>Total comprehensive income for the period</b>			
Profit		381,084	381,084
<b>Balance at 31 December 2016</b>	<b>50,000</b>	<b>1,400,087</b>	<b>1,450,087</b>
Balance at 1 January 2017	50,000	1,400,087	1,450,087
<b>Total comprehensive income for the period</b>			
Profit		145,805	145,805
<b>Balance at 31 December 2017</b>	<b>50,000</b>	<b>1,545,892</b>	<b>1,595,892</b>

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

Containerships (UK) Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 02237324 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, Containerships Oyj includes the Company in its consolidated financial statements. The consolidated financial statements of Containerships Oyj 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 Oyj 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*

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 £0.8m net current assets, including a net £0.8m due from group undertakings.

The group headed by Containerships Limited Oyj recorded an operating profit in 2017 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 Oyj, 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

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.

##### 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.

###### *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.

##### *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.

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:

	2017 £	2016 £
Haulage contractor services	13,152,170	11,221,714
Commission on freight sales	145,429	147,950
	<u>13,297,599</u>	<u>11,369,664</u>

**Notes (continued)**

**3 Expenses and auditor's remuneration**

	2017 £	2016 £
<i>Auditor's remuneration:</i>		
Audit of these financial statements	21,433	21,433

**4 Directors' remuneration**

	2017 £	2016 £
Directors' emoluments	125,171	108,494
Company contributions to money purchase pension schemes	11,350	11,350

**Number of directors**  
2017 2016

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

Money purchase schemes	1	1
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**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 2017	2016
Drivers and maintenance	110	99
Sales	6	7
Administration	36	34
	152	140

The aggregate payroll costs of these persons were as follows:

	2017 £	2016 £
Wages and salaries	4,868,111	4,155,789
Social security costs	478,654	406,199
Contributions to defined contribution plans (note 16)	101,081	96,189
	5,447,846	4,658,177

**Notes (continued)**

**6 Interest receivable and similar income**

	2017 £	2016 £
On bank deposits	168	102

**7 Interest payable and similar expenses**

	2017 £	2016 £
On bank overdrafts	8,161	10,171
Finance charges payable in respect of finance leases and hire purchase contracts	9,247	9,808
	17,408	19,979

**8 Taxation**

**Total tax expense recognised in the profit and loss account**

	2017 £	2016 £
<i>Current tax</i>		
Current tax on income for the period	40,186	70,458
Adjustment in respect of previous years	(1)	
Total current tax	40,185	70,458
<i>Deferred tax (see note 13)</i>		
Origination/reversal of timing differences	1,289	19,076
Change in tax rate		(1,277)
Total deferred tax	1,289	17,799
Total tax	41,474	88,257



## Notes (continued)

### 8 Taxation (continued)

#### Reconciliation of effective tax rate

	2017 £	2016 £
Profit for the year	145,805	381,084
Total tax expense	41,474	88,257
Profit excluding tax	187,279	469,341
Current tax at 19.25% (2017: 20%)	36,051	93,868
Expenses not deductible for tax purposes	5,594	1,401
Other timing differences	-	(2,368)
Change in tax rate	(170)	(4,644)
Adjustment in respect of prior years	(1)	-
Total tax expense	41,474	88,257

#### Factors that may affect future current and total tax charges

Reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The deferred tax balance at 30 April 2018 has been calculated based on these rates.

### 9 Tangible fixed assets

	Leasehold improvements £	Fittings and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At beginning of year	620,927	1,011,877	396,457	2,029,261
Additions	160,799	72,199	-	232,998
Disposals	-	(16,678)	(19,148)	(35,826)
At end of year	781,726	1,067,398	377,309	2,226,433
<b>Depreciation</b>				
At beginning of year	207,107	690,711	333,147	1,230,965
Charge for year	25,141	78,122	10,634	113,897
On disposals	-	(15,153)	(15,957)	(31,110)
At end of year	232,248	753,680	327,824	1,313,752
<b>Net book value</b>				
At 31 December 2017	549,478	313,718	49,485	912,681
At 1 January 2017	413,820	321,166	63,310	798,296

## Notes (continued)

### 9 Tangible fixed assets (continued)

Included in the total net book value of motor vehicles is £nil (2016: £nil) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £nil (2016: £nil).

### 10 Debtors

	2017 £	2016 £
Trade debtors	2,067,109	1,393,010
Amounts owed by group undertakings	2,834,532	1,731,762
Other debtors	102,072	93,150
Prepayments and accrued income	308,801	197,701
Corporation tax	4,925	-
	<u>5,317,439</u>	<u>3,415,623</u>

### 11 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts (see note 12)	648,801	288,437
Trade creditors	2,292,123	2,409,168
Corporation tax	-	50,248
Other taxes and social security	126,536	101,187
Other creditors	18,436	21,634
Accruals and deferred income	88,555	104,755
Amounts owed to group undertakings	2,024,175	947,861
	<u>5,198,626</u>	<u>3,923,290</u>

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

### 12 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Bank loans	<u>45,000</u>	<u>105,000</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)

### 13 Deferred tax liabilities

The movement in the year is as follows:

	£
At beginning of year	40,787
Charge in year (note 8)	1,289
	<hr/>
At end of year	42,076
	<hr/>

Deferred tax liabilities are attributable to the following:

	2017 £	2016 £
Accelerated capital allowances	43,610	42,764
Other timing differences	(1,534)	(1,977)
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	42,076	40,787
	<hr/>	<hr/>

The deferred tax liability has been calculated at the tax rate of 17% substantively enacted at the balance sheet date.

### 14 Called up share capital

	2017 £	2016 £
<i>Allotted, called up and fully paid</i>		
50,000 Ordinary shares of £1 each	50,000	50,000
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### 15 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2017 £	2016 £
Operating leases which expire:		
Within one year	1,467,697	1,372,247
In the second to fifth years inclusive	3,339,394	4,567,491
More than 5 years	1,980,000	2,124,150
	<hr/>	<hr/>
	6,787,091	8,063,888
	<hr/>	<hr/>

During the year £2,162,509 was recognised as an expense in the profit and loss account in respect of operating leases (2016: £2,011,232).

**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 £101,081 (2016: £96,189).

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 Oyj, 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 Oyj. The consolidated financial statements of this group are available to the public and may be obtained from Containerships Limited Oyj, Linnoitustie 6 C, 02600 Espoo, 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 (note 1). 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 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.