

CMA CGM (UK) Shipping Limited
Annual report and financial statements
for the year ended 31 December 2019

Registered Number: 02475827

MONDAY



A9WWRJLF

A06 25/01/2021 #207
COMPANIES HOUSE

CMA CGM (UK) Shipping Limited

Annual report and financial statements for the year ended 31 December 2019

Contents

Company Information.....	3
Strategic report for the year ended 31 December 2019.....	4 - 5
Directors' report for the year ended 31 December 2019.....	6 - 7
Independent auditor's report to the members of CMA CGM (UK) Shipping Limited	8 - 10
Statement of Comprehensive Income and Retained Earnings for the year ended 31 December 2019	11
Statement of financial position as at 31 December 2019.....	12
Notes to the financial statements for the year ended 31 December 2019	13- 25

CMA CGM (UK) Shipping Limited

Company Information for the year ended 31 December 2019

DIRECTORS:

I Bassett
R Waterman
L A Ward

SECRETARY:

L A Ward

REGISTERED OFFICE:

12 Princess Parade
Princess Dock
Liverpool
L3 1BG

REGISTERED NUMBER:

02475827

INDEPENDENT AUDITORS:

Constantin
Chartered Accountants and Statutory Auditor
25 Hosier Lane
London
EC1A 9LQ

CMA CGM (UK) Shipping Limited

Strategic report for the year ended 31 December 2019

Business review and principal activities

As a shipping agent, CMA CGM (UK) Shipping Limited (“the Company”) acts as general agents in the United Kingdom for its ultimate parent company, CMA CGM SA and other group brands.

The profit before tax for the year was £3,052k (2018: £5,042k). This was achieved on sales of £18,174k (2018: £18,443k). The net tax charge for the year was £40k (2018: £1,050k).

The Company has fixed assets with a net book value of £1,560k (2018: £945k) and net assets of £122,102k (2018: £119,019k).

Business environment

The trading environment has remained competitive during the year and the three main activities undertaken by the company comprising Agency activities, Freight forwarding and Ships investment activities have, overall, made a profit.

The net profit before tax for the Agency activity was £434k (2018: £402k).

Trading under the name of CMA CGM Logistics (“CCLOG”), the Company also operates a freight forwarding activity covering air freight as well as sea freight forwarding. This activity was sold to another group entity in May 2019, resulting in a net loss before tax in CCLOG activity of £42k (2018 loss: £58k).

Treasury policy

The Group, of which the Company is a member, through its central treasury activities seeks to reduce financial risk, ensure sufficient liquidity and manage daily cash requirements.

Key performance indicators

The Company’s directors use a range of key performance indicators to measure the business. The set of key performance indicators are constantly reviewed and change over time with the development of the business. The range of measures include:

- Agency operations: numbers of staff and their productivity measured by containers per head.
- CCLOG net margin by job.

CMA CGM (UK) Shipping Limited

Strategic report for the year ended 31 December 2019 (continued)

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company are considered to relate to international competition, notably its effect on freight rates and fuel costs. The risks are managed through the regular review of results and prospects and are mitigated by changing vessel employment as necessary.

Financial risks management

The company's operations are exposed to a variety of financial risks. The company believes that these risks are straightforward and therefore can be managed by the Board. The company does use derivative financial instruments.

Liquidity risk

Sufficient funds are held to ensure that all liabilities can be settled as they fall due.

Credit risk

Appropriate credit checks are made for all customers. In addition, the larger customers are predominantly blue chip companies.

Section 172 statement

- The Directors of the Company include the Executive Directors and the CEO and CFO of the ultimate holding company, CMA CGM SA.
- All strategic decisions are taken in conjunction with the CMA CGM Board members to ensure that they are in the complete interest of the shareholders, employees and clients of the company.
- The company works with employees, through the employee staff council and engagement team, to ensure that local business and social environment is enhanced to the extent possible.
- CMA CGM (UK) Shipping Limited operates with a high degree of integrity in its dealings with clients and suppliers.
- The fundamental overriding principle in the governance of CMA CGM (UK) Shipping Limited is that of ensuring transparent conduct which reflects fairness in all the dealings with the shareholder, employees, clients and suppliers. A testament to this is reflected in the significantly long length of service of most of our senior employees and the several long-standing relationships with clients and suppliers.

This report was approved by the board and signed on its behalf by



L Ward
Company secretary
9th June 2020

CMA CGM (UK) Shipping Limited

Directors' report for the year ended 31 December 2019

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2019.

Directors

The directors of the company who were in office during the year end and up to the date of signing of the financial statements were:

I Bassett
R Waterman
L A Ward

Results and dividends

The directors do not recommend the payment of a dividend (2018: nil). The profit for the year of £3,052k (2018: £3,992k) is charged against reserves.

Future developments

The continuing recovery of the UK economy is expected to generate improving trading conditions for the Agency activity which are expected to be profitable.

Post Balance Sheet Events

COVID -19 has changed how the business has operated in 2020, with all staff working from home. This however, has had no impact on the quality of the agent services we provide to group. Quarter two, has seen a small decline in volumes year on year, which is forecast to be recovered during the second half of the year. COVID 19 will not have a significant impact on the financial performance of the Business in 2020.

On the 1st April 2020, the business was appointed the UK Agent of Containerships GMBH.

Strategic report

The following are disclosed within the Strategic Report:

- The company's financial risk management objectives and policies.
- The company's key performance indicators

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with the Financial Reporting Standard 102 and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

CMA CGM (UK) Shipping Limited

Directors' report for the year ended 31 December 2019 (continued)

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent auditors and disclosure of information to auditors

- So far as the directors are aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- The directors have taken the steps that they ought to have taken as the directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with provision of Section 418 of the Companies Act 2006.

Independent auditors

Constantin have indicated their willingness to continue as auditors. A resolution to reappoint Constantin will be proposed at the annual general meeting.

By order of the board



L Ward
Company secretary
9th June 2020

CMA CGM (UK) Shipping Limited

Independent auditor's report to the members of CMA CGM (UK) Shipping Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of CMA CGM (UK) Shipping Limited ("the company"):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including, Financial Reporting Standard 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.

We have audited the financial statements of CMA CGM (UK) Shipping Limited (the 'company') which comprise:

- the statement of comprehensive income and retained earnings;
- the statement of financial position;
- the statement of accounting policies; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

CMA CGM (UK) Shipping Limited

Independent auditor's report to the members of CMA CGM (UK) Shipping Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or directors' report.

CMA CGM (UK) Shipping Limited

Independent auditor's report to the members of CMA CGM (UK) Shipping Limited (continued)

Matters on which we are required to report by exception


Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Use of our report

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.



Peter Smith FCA (Senior Statutory Auditor)
For and on behalf of Constantin, Chartered Accountants and
Statutory Auditor

25 Hosier Lane
London
EC1A 9LQ

Date: 9th June 2020

CMA CGM (UK) Shipping Limited

Statement of Comprehensive Income and Retained Earnings for the year ended 31 December 2019

	Note	2019 £'000	2018 £'000
Turnover	2	18,174	18,443
Cost of sales		(1,016)	(2,089)
Gross profit		17,158	16,354
Administration expenses	3	(17,562)	(15,922)
Operating (Loss)/Profit		(404)	432
Loss on disposal of fixed assets		(50)	-
Interest receivable and similar income	6	6,796	8,811
Interest payable and similar charges	7	(3,250)	(4,201)
Profit on ordinary activities before taxation	8	3,092	5,042
Tax charge on profits subject to corporation tax	9	(40)	(1,050)
Tax charge on profits subject to tonnage tax	9	-	-
Tax on profit on ordinary activities	9	(40)	(1,050)
Profit on ordinary activities after taxation and profit for the financial year		3,052	3,992
Total comprehensive income for the year		3,052	3,992
Retained Profit at 1 January		118,819	114,827
Profit for the year		3,052	3,992
Retained profit at 31 December		121,871	118,819

All results derive from continuing operations.

The notes 1 to 18 form an integral part of the financial statements.

CMA CGM (UK) Shipping Limited

Statement of financial position as at 31 December 2019

	Note	2019 £'000	2018 £'000
Fixed assets			
Property, plant and equipment	10	1,549	944
Intangible	11	11	1
		1,560	945
Current assets			
Debtors	12	1,001,258	870,675
Short term deposits and cash at bank and in hand	13	89	88
		1,001,374	870,763
Creditors: amounts falling due within one year	14	(880,836)	(752,689)
Net current assets		120,511	118,074
Total assets less current liabilities		122,071	119,019
Net assets		122,071	119,019
Capital and reserves			
Called up share capital	15	200	200
Profit and loss account		121,871	118,819
Total shareholders' funds		122,071	119,019

The financial statements were approved by the board of directors on 9th June 2020 and were signed on its behalf by:

L Ward

L Ward
Director
 CMA CGM (UK) Shipping Ltd
 Registered Number: 02475827

The notes 1 to 18 form an integral part of the financial statements.

CMA CGM (UK) Shipping Limited

Notes to the financial statements for the year ended 31 December 2019

1 Accounting policies

Statutory information

CMA CGM (UK) Shipping Limited is a company domiciled in England and Wales, registration number 02475827. The registered office is 12 Princes Parade, Liverpool, Merseyside L3 1BG.

Basis of accounting and preparation

The financial statements have been prepared on the going concern basis and in accordance with applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102 – the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ('FRS 102'), and with Companies Act 2006. There were no material departures from that standard.

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

The financial statements have been prepared under the historical cost convention. The presentation currency is £ sterling. Monetary amounts in these financial statements have been rounded to the nearest £000.

Group financial statements

The company is a wholly-owned subsidiary of CMA CGM SA and is included in the consolidated financial statements of CMA CGM SA, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

Subsequent Events

COVID -19 has changed how the business has operated in 2020, with all staff working from home. This however, has had no impact on the quality of the agent services we provide to group. Quarter two, has seen a small decline in volumes year on year, which is forecast to be recovered during the second half of the year. COVID 19 will not have a significant impact on the financial performance of the Business in 2020.

CMA CGM (UK) Shipping Limited

Notes to the financial statements for the year ended 31 December 2019 (Continued)

1 Accounting policies (continued)

Turnover and operating expenses

Turnover represents the amounts invoiced, excluding value added tax, in respect of services provided as agent to the various carriers. These services have been rendered under a cost plus remuneration scheme during the year. In accordance with accounting principles of the group, shipping revenues, commissions and related expenses are recognised by the completed voyage method. Shipping revenues are earned by way of shares of the pooled income earned by all vessels employed on the services in which the Company's ships are deployed. Expenses relating to the Company's vessels and overheads are reported on an accruals basis.

Segment reporting

The company activities consist of three activities as follows:

Agency	- UK agent for CMA CGM SA, ANL and APL
CCLOG	- Air freight movements as well as other forwarding activities.
Ships Investments	- Investment in intercompany and third party opportunities

Intangible fixed assets

Intangible fixed assets consist of software which is capitalised upon purchase cost and amortised over a period of 3 years over a straight line basis

Property, Plant and equipment

The cost of tangible fixed assets is their historical purchase cost less accumulated depreciation, together with any incidental costs of acquisition. *Depreciation on fixed assets is calculated on a straight line basis, with the following asset lives by category:*

Fixtures and fittings	5-10 years
Computer equipment	3 years

Leases

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding.

Annual rentals relating to operating leases are charged to the profit and loss account on a straight-line basis.

Capitalisation of finance costs

Interest costs incurred on loans for pre-delivery instalments are, on ship delivery, capitalised within fixed assets.

Financial assets

Investments are stated at cost less any provision for impairment.

CMA CGM (UK) Shipping Limited

Notes to the financial statements for the year ended 31 December 2019 (Continued)

1 Accounting policies (continued)

Taxation

The current corporation tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided on all material timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements are dealt with in different years for tax purposes.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted.

Deferred tax assets are recognised only to the extent that, based on available evidence, it is considered probable that there will be suitable tax profits from which the future reversal of the underlying timing differences can be deducted.

The company and its fellow group undertakings are able to relieve their tax losses by surrendering them to other group companies where capacity to utilise those losses exists. There is an agreement between members of this group such losses will be paid for by the recipient company at 100% of the tax value. Where there is reasonable certainty that taxable losses can be relieved, the group relief receivable or payable is included in the taxation charge or credit for the period and the corresponding intercompany receivable or payable is recognised in the Balance Sheet.

Foreign currencies

Transactions denominated in foreign currencies are translated into GBP at the rate ruling at the date of the transaction. Monetary asset and liabilities in foreign currencies at the balance sheet date are translated at the rate ruling at that date. The gain or loss on exchange is taken to the profit and loss account except for where the exposure for the difference is borne by the parent company CMA CGM SA.

The prevailing exchange rate of US\$1.320:£1 (2018: US\$1.280:£1) and EUR1.175:£1 (2018: EUR1.118:£1) on the balance sheet date has been used in the preparation of the financial statements.

Pension costs

The company operates two contracted-out defined contribution pension schemes. The pension cost represents contributions payable by the company to the fund. There are no material outstanding or prepaid contributions at the balance sheet date.

CMA CGM (UK) Shipping Limited

Notes to the financial statements for the year ended 31 December 2019 (Continued)

1 Accounting policies (continued)

Intercompany balances

Intergroup balances are recorded at the carrying value at the balance sheet date. Balances can be either interest bearing or non-interest bearing. The interest rate applicable to the balances at the period end date are stated in the notes to the financial statements where arising.

Financial Instruments

The Company has elected to apply the provisions of section 11 'Basic Financial Instruments' and section 12 'Other Financial instruments Issues' of FRS102 to all of its financial instruments.

Financial assets and liabilities are offset with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts, and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial liabilities

Financial liabilities are classified, at initial recognition, as loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company's financial liabilities include borrowings, trade and other payables, which are measured at amortised cost using the effective interest rate method. For all current payables "amortised cost" is effectively cost. Financial liabilities are recognised when the Company becomes a party to the contractual terms of the instrument. All interest-related charges, and if applicable, changes in an instrument's fair value are reported in the statement of profit or loss line item "interest payable and similar charges" or "interest receivable and similar income", as appropriate.

Financial assets

Financial assets are classified, at initial recognition, as loans and receivables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The valuation method for this category of financial asset is "amortised cost" using the effective interest method, less any impairment provision. For all current receivables "amortised cost" is effectively cost. The carrying values of the Company's financial assets are reviewed throughout the year to determine whether there is any indication of impairment. If any such indication exists, an impairment loss is recognised to reduce the asset's carrying value to the estimated recoverable amount. Any change in the value of financial assets is recognised in the statement of profit or loss line item "interest payable and similar charges" or "interest receivable and similar income", as appropriate.

CMA CGM (UK) Shipping Limited

Notes to the financial statements for the year ended 31 December 2019 (Continued)

1 Accounting policies (continued)

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Related party transactions

The company is exempt under the terms of FRS 102 section 33 "Related party disclosure", from disclosing related party transactions with entities that are part of the CMA CGM SA group and are 100% owned by the group.

Accrued revenue

The agency import and export commissions are calculated and accrued on the completed voyage basis.

Impairment of non-financial assets

When value in use calculations are undertaken, management and the group estimate the expected future cash flows of the asset or cash-generating unit and choose a suitable discount rate and a perpetual long-term growth rate in order to calculate the present value of those cash flows. These estimates take into account certain assumptions about the global economic situation and the future growth of the container shipping industry when the net realisable value is below the net book value.

Statement of cash flow

The company is a "qualifying company" for the purposes of FRS 102 and has taken advantage of the disclosure exemption relating to the provision of a cash flow statement in accordance with FRS 102 paragraph 1.12 (b).

CMA CGM (UK) Shipping Limited

Notes to the financial statements for the year ended 31 December 2019 (Continued)

2 Turnover

The company continues in the business of shipping agent and freight forwarding, with all business being transacted in the UK.

The analysis of turnover for the year ended 31 December 2019 is as follows:

	2019 £'000	2018 £'000
Agency Activities	16,923	15,872
Freight Forwarding (CCLOG)	1,251	2,571
	18,174	18,443

3 Net operating expenses

Continuing operations:	2019 £'000	2018 £'000
Administrative expenses	(17,562)	(15,992)
	(17,562)	(15,992)

Included in the administrative expenses are foreign exchange movements.

CMA CGM (UK) Shipping Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

4 Directors' emoluments

Note: UK resident directors only	2019	2018
French resident directors are remunerated by CMA CGM SA	£'000	£'000
Aggregate emoluments	357	353
Company's pension scheme contribution to money purchase plan	70	69
Three directors (2018: 3) have retirement benefits accruing under the company's defined contribution schemes.		
Highest paid director		
Aggregate emoluments	156	155
Company's pension scheme contribution to money purchase plan	14	14

The emoluments of one of the directors are recharged to another group company.

5 Employee information

The average monthly number of persons (including executive directors) employed during the year was 307 (2018: 314). All employees are involved in the administration of shipping and freight.

	2019	2018
	£'000	£'000
Staff costs (for the above persons):		
Wages and salaries	9,959	10,160
Social security costs	1,183	1,158
Other pension costs (see Note 16)	1,299	1,171
	12,441	12,489

Pension contributions of £220,267 remain unpaid at the year-end (2018: £96,560)

6 Interest receivable and similar income

	2019	2018
	£'000	£'000
On bank loans and other loans	6,796	8,811
	6,796	8,811

Amounts due from group undertakings are unsecured and repayable on demand. Interest is calculated on a daily basis of Libor.

CMA CGM (UK) Shipping Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

7 Interest payable and similar charges

	2019	2018
	£'000	£'000
On amounts owed to group undertakings	3,250	4,201
	3,250	4,201

Amounts due to group undertakings are unsecured and repayable on demand. Interest is calculated on a daily basis of Libor plus 35 basis points.

8 Profit on ordinary activities before taxation

	2019	2018
	£'000	£'000
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation charge		
- owned fixed assets	271	206
Auditors' remuneration		
- audit services	43	43
Hire of assets under operating leases		
- land and buildings	553	456
- other	270	222
Foreign exchange gain/(loss) on trading	928	(11)

CMA CGM (UK) Shipping Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

9 Taxation on profit on ordinary activities

	2019 £'000	2018 £'000
Current UK corporation tax on profits for the year	587	958
Adjustment in respect of prior years	(555)	(550)
Group tax relief	8	642
Tonnage tax payable	-	-
Tax on profit on ordinary activities	40	1,050

The tax assessed for the year ended 31 December 2019 is higher (2018: higher) than the standard effective rate of corporation tax in the UK. The differences are explained below:

	2019 £'000	2018 £'000
Profit on ordinary activities before tax	3,092	5,043
Multiplied by standard rate of corporation tax in the UK 19% (2018: 19%)	587	958
Effects of:		
(Profits) / losses subject to tonnage tax	-	-
Adjustments in respect of prior periods	(555)	(550)
Group Relief Tax	(95)	642
Tonnage tax payable	-	-
Current tax charge for the year	40	1,050

The company has received the benefit of tax losses from another group company for a consideration of £NIL (2018: £642,000).

Factor affecting future tax charges

The Finance (No 2) Act 2015 introduced legislation to reduce the main rate of UK corporation tax from 20% to 19% from 1 April 2017 and the Finance Act 2016 included legislation to further reduce the main rate of corporation tax to 17% from 1 April 2020. Although the recently presented budget stated the corporation tax rate will remain at 19% from 1 April 2020, the budget was not enacted or substantively enacted as of 31 December 2019. Therefore, any deferred tax balances are stated at a rate of 17%.

CMA CGM (UK) Shipping Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

10 Property, Plant and equipment

	Ships	Computer equipment	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2019	-	610	1,488	2,098
Additions	-	133	793	926
Disposal	-	(333)	(599)	(932)
Impairment	-	-	-	-
At 31 December 2019	-	410	1,682	2,092
Accumulated depreciation				
At 1 January 2019	-	469	685	1,154
Charged for the year	-	108	163	271
Disposal	-	(333)	(549)	(882)
At 31 December 2019	-	244	299	543
Net book amount				
At 31 December 2019	-	166	1,383	1,549
At 31 December 2018	-	141	803	944

The amount of finance costs capitalised during the year to 31 December 2019 is nil (2018: nil).

11 Intangible assets

	Software	Total
	£'000	£'000
Cost		
At 1 January 2019	28	28
Additions	12	12
At 31 December 2019	40	40
Accumulated depreciation		
At 1 January 2019	27	27
Charged for the year	2	2
At 31 December 2019	29	29
Net book amount		
At 31 December 2019	11	11
At 31 December 2018	1	1

CMA CGM (UK) Shipping Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

12 Debtors

	2019	2018
	£'000	£'000
Amounts falling due within one year		
Trade debtors	33,314	35,200
Amounts owed by group undertakings	803,509	631,828
Short term investments	159,822	199,697
Other debtors	1,273	1,128
Prepayments and accrued income	3,340	2,822
	1,001,258	870,675

Amounts owed by group undertakings are unsecured and repayable on demand. Interest is calculated on a daily basis of Libor. The short-term investment in the current year represents a subordinated loan to CMA CGM & ANL Securities BV of \$211,029k (2018: \$255,621k). Interest for this loan is calculated on a daily basis of USD CP rate plus 35 basis points. Included above are financial instruments held at amortised cost amounting to £199,672k (2018: £236,821k)

13 Short term deposits and cash at bank and in hand

As at 31 December 2019 £89k (2018: £88k) of the total balance was readily available for the general purposes of the company.

CMA CGM (UK) Shipping Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

14 Creditors: amounts falling due within one year

	2019	2018
	£'000	£'000
Trade creditors	24,065	16,614
Amounts owed to group undertakings	853,696	733,411
Corporation tax	55	180
Other taxation and social security	269	307
Accruals and deferred income	2,751	2,177
	880,836	752,689

Amounts owed to group undertakings are unsecured and repayable on demand. Interest is calculated on a daily basis of Libor plus 35 basis points. Included above are financial instruments held at amortised cost amounting to £27,390k (2018: £18,791k)

CMA CGM (UK) Shipping Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

15 Called up share capital

	2019	2018
Authorised	£'000	£'000
200,000 ordinary shares of £1 each	200	200
Allotted and fully paid		
200,000 ordinary shares of £1 each	200	200

Note: All shares rank pari passu in all respects.

16 Pension costs

The assets of the pension scheme are held separately from the company in two independently administered funds. The pension charge for the year represents contributions payable by the company to the funds which amounted to £1,298,529 (2018: £1,170,707). Both schemes are defined contribution schemes.

17 Financial commitments

At 31 December 2019, the company had annual commitments under non-cancellable operating leases expiring as follows:

	Land and buildings		Other	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Expiring within one year	627	627	143	165
Expiring between two and five years inclusive	2,509	2,509	432	361
	3,136	3,136	575	526

18 Ultimate and immediate parent company

The immediate parent undertaking is CMA CGM (UK) Holdings Limited. The ultimate parent undertaking is CMA CGM SA, a company incorporated in France. CMA CGM SA is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2019. The consolidated financial statements of CMA CGM SA may be obtained from CMA CGM SA, 4, quai d'Arenc, 13235 Marseille Cedex 02, France. The ultimate control of the company lies with Rodolphe Saade, a French national, by virtue of his shareholding in the ultimate parent company, Merit Corporation Sal, a company registered in Lebanon.