

JP Shipping Services Limited

**Directors' report and financial
statements**

Registered number 01034009

31 December 2012



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Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 December 2012

Review of the business and future developments

The company generated a pre-tax profit of £155,000 for the year ended 31 December 2012 (2011 loss of £78,000)

In response to the protracted economic downturn, a business review was implemented during 2011 which has resulted in on-going reduced costs and improved customer service levels. This was combined with the development of our business systems to allow greater efficiency.

The results for the year are shown on page 5

Principal activities

JP Shipping Services Limited provides shipping, packing, warehousing and transport services to commercial and private customers. The core business is providing shipping services to and from the West Indies.

Dividends

The directors do not recommend the payment of a dividend (2011 £nil)

Directors

The directors who held office during the year were as follows

Jeffrey McGowan Hall
Charles Henry Johnston
Edward Charles Johnston
Robert William Smith
Marshall McGowan Hall

Political and charitable contributions

The Company made no political or charitable donations during the year (2011 £nil)

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



Robert Smith
Director

Main ABP Building (South Entrance)
Alexandra Dock
Newport
South Wales
NP20 2NP

30 April 2013

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing 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).

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 judgments 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.



KPMG LLP

3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX
United Kingdom

Independent auditor's report to the members of JP Shipping Services Limited

We have audited the financial statements of JP Shipping Services Limited for the year ended 31 December 2012 set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 2, 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 web-site 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 2012 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

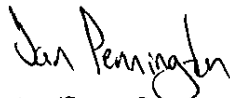
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of JP Shipping Services 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



Ian Pennington (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX

1st May 2013

Profit and loss account
for the year ended 31 December 2012

	<i>Note</i>	2012 £000	2011 £000
Turnover		5,280	5,196
Cost of sales		(3,886)	(3,952)
Gross profit		1,394	1,244
Administrative expenses		(1,239)	(1,325)
Operating profit/(loss)		155	(81)
Interest receivable and similar income	2-4 5	-	3
Profit/(loss) on ordinary activities before taxation		155	(78)
Tax on profit/(loss) on ordinary activities	6	(37)	20
Profit/(loss) on ordinary activities after taxation being profit/(loss) for the financial year	14	118	(58)

There have been no recognised gains or losses other than the profit/(loss) for the year. All of the operations are continuing.

There is no material difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis.

Balance sheet
At 31 December 2012

	Note	2012 £000	2011 £000
Fixed assets			
Intangible assets	7	281	301
Tangible assets	8	12	27
		<u>293</u>	<u>328</u>
Current assets			
Stock	9	7	6
Debtors	10	1,187	1,716
Cash at bank and in hand		665	394
		<u>1,859</u>	<u>2,116</u>
Creditors, amounts falling due within one year	11	<u>(965)</u>	<u>(946)</u>
Net current assets		<u>894</u>	<u>1,170</u>
Total assets less current liabilities and charges		<u>1,187</u>	<u>1,498</u>
Creditors, amounts falling due after more than one year	12	<u>-</u>	<u>(429)</u>
Net assets		<u>1,187</u>	<u>1,069</u>
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account	14	1,187	1,069
Shareholders' funds	15	<u>1,187</u>	<u>1,069</u>

These financial statements were approved by the board of directors 20 APRIL 2013 and were signed on its behalf by



Robert Smith
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Under Financial Reporting Standard No 1 "Cash Flow Statements" the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary and that the parent undertaking includes the company in its own published consolidated financial statements

The company has taken advantage of the exemption under Financial Reporting Standard No 8 "Related Party Disclosures" from the requirement to disclose transactions with Jamaica Producers Group Limited and its 100% owned subsidiary undertakings on the basis that the company is a wholly owned subsidiary and the accounts of the Jamaica Producers Group Limited are publicly available

Going concern

The company has a strong cash position together with contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions since 1 January 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life of twenty years. Provision is made for any impairment

Tangible fixed assets and depreciation

All fixed assets are initially recorded at cost

Depreciation is provided by the company to write off the cost less the estimated residual value on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are

Plant and machinery	-	20%
Motor vehicles	-	20 %
Furniture and office equipment	-	20-33 %

Stock

Stock is valued at the lower of cost, determined principally on the first-in first-out basis, and net realisable value. Net realisable value is the estimated selling price less the estimated costs of completion and selling expenses

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

Notes (continued)

1 Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Turnover

The turnover shown in the profit and loss account represents revenue recognised by the company in respect of goods and services supplied during the period, exclusive of Value Added Tax. Shipping services are recognised once the vessel has sailed.

Pension costs

The company participates in a group personal pension scheme. The contributions to the scheme are charged to the profit and loss account as they fall due, and are disclosed in note 4 to the financial statements.

2 Profit/(loss) on ordinary activities before taxation

	2012 £000	2011 £000
<i>Profit/(loss) on ordinary activities before taxation is stated after charging/(crediting)</i>		
Depreciation	17	28
Amortisation and goodwill	20	20
Hire of land and buildings – operating leases	115	115
Profit on disposal of fixed assets	(15)	(25)
Auditor's remuneration		
Audit of these financial statements	13	13
Other services relating to taxation	2	4

3 Remuneration of directors

	2012 £000	2011 £000
Director emoluments	67	52

Pension contributions of £5,200 (2011 £4,500) were made in respect of one director.

Notes (continued)

4 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	
	2012	2011
Administration	27	30

The aggregate payroll costs of these persons were as follows

	2012 £000	2011 £000
Wages and salaries	711	789
Social security costs	67	76
Other pension costs	60	67
	838	932

5 Interest receivable and similar income

	2012 £000	2011 £000
Bank interest	-	3

6 Taxation

Analysis of charge/(credit) in year

	2012 £000	2011 £000
<i>UK corporation tax</i>		
Current tax on income for the year	20	-
Group relief	-	(1)
Total current tax	20	(1)
<i>Deferred tax</i>		
Origination/reversal of timing differences	17	(19)
Total deferred tax	17	(19)
Tax on profit/(loss) on ordinary activities	37	(20)

Notes (continued)

6 Taxation (continued)

Factors affecting the tax charge/(credit) for the current period

The current tax charge/(credit) for the year is lower (2011 lower) than the weighted average standard rate of corporation tax in the UK of 24.5% (2011 26.5%). The differences are explained below

	2012 £000	2011 £000
<i>Current tax reconciliation</i>		
Profit/(loss) on ordinary activities before tax	155	(78)
Current tax at 24.5% (31 December 2011 26.5%)	38	(21)
<i>Effects of</i>		
Differences between capital allowances and depreciation	1	1
Other timing differences	(2)	-
Losses accumulated and utilised	(17)	19
Total current tax charge/(credit) (see above)	20	(1)

7 Intangible fixed assets

	Goodwill £000
<i>Cost</i>	
At beginning and end of year	400
<i>Amortisation</i>	
At beginning of year	99
Charge for year	20
At end of year	119
<i>Net book value</i>	
At 31 December 2012	281
At 31 December 2011	301

Notes (continued)

8 Tangible fixed assets

	Plant and machinery £000	Furniture and office equipment £000	Total £000
<i>Cost</i>			
At beginning of year	145	116	261
Additions	-	3	3
Disposals	(6)	-	(6)
At end of year	139	119	258
<i>Depreciation</i>			
At beginning of year	134	100	234
Charge for the year	9	8	17
Disposals	(5)	-	(5)
At end of year	138	108	246
<i>Net book value</i>			
At 31 December 2012	1	11	12
At 31 December 2011	11	16	27

9 Stock

	2012 £000	2011 £000
Shipping containers	7	6

Notes (continued)

10 Debtors

	2012 £000	2011 £000
Trade debtors	455	671
Amounts owed by group undertakings	595	908
Prepayments and accrued income	92	80
Other debtors	39	34
Deferred tax asset (see below)	6	23
	<u>1,187</u>	<u>1,716</u>

	2012 £000	2011 £000
<i>Deferred taxation</i>		
At beginning of year	23	4
Profit and loss account (charge)/credit	(17)	19
At end of year	<u>6</u>	<u>23</u>

In accordance with FRS 19, a deferred taxation asset has been recognised as follows

	2012 £000	2011 £000
Difference between capital allowances and depreciation	(3)	(6)
Other timing differences	9	29
	<u>6</u>	<u>23</u>

A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively

This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2012 has been calculated based on the rate of 23% substantively enacted at the balance sheet date.

The 2012 Autumn statement on 5 December 2012 announced that the UK corporation tax rate will reduce to 21% by 2014. It has not yet been possible to quantify the full anticipated effect of the announced further 2% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax asset accordingly.

Notes (continued)

11 Creditors amounts falling due within one year

	2012 £000	2011 £000
Trade creditors	811	703
Amounts owed to group undertakings	-	129
Other creditors	40	34
Accruals and deferred income	94	80
Corporation tax	20	
	<u>965</u>	<u>946</u>

12 Creditors: amounts falling due after more than one year

	2012 £000	2011 £000
Amounts owed to group undertaking	-	429
	<u>-</u>	<u>429</u>

13 Called up share capital

	2012 £	2011 £
<i>Allotted, called up and fully paid</i> 100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

14 Profit and loss account

	2012 £000	2011 £000
Balance at beginning of year	1,069	1,127
Profit/(loss) for the year	118	(58)
	<u>1,187</u>	<u>1,069</u>

15 Reconciliation of movement in shareholders' funds

	2012 £000	2011 £000
Opening shareholders' funds	1,069	1,127
Profit/(loss) for the year	118	(58)
	<u>1,187</u>	<u>1,069</u>

Notes (continued)

16 Commitments

(a) As at 31 December 2012 there were capital commitments of £nil (2011 £nil)

(b) Annual commitments under non-cancellable operating leases are as follows

	2012 Land and buildings £000	2011 Land and buildings £000
<i>Operating leases which expire</i>		
In the second to fifth years inclusive	115	115

(c) Under a guarantee to its bankers, the company is subject to a charge to cover a deferred duty arrangement to the value of £50,000 (2011 £50,000). This is held in an Escrow account and remains at £50,000 (2011 £50,000) as at the balance sheet date.

17 Ultimate parent undertaking

Jamaica Producers Group Limited, a company incorporated in Jamaica, is the ultimate parent undertaking of JP Shipping Services Limited. The consolidated accounts of the group are available to the public and may be obtained from Main ABP Building (South Entrance), Alexandra Dock, Newport, South Wales, NP20 2NP.

Notes (continued)

18 Related party transactions

The directors consider the material transactions undertaken by the company during the years ended 31 December 2012 and 31 December 2011 with parties related to the company were as follows

Name of party	Type of transaction	Transaction amount during year ended 31 December 2012 £000	Transaction amount during year ended 31 December 2011 £000
Jamaica Freight & Shipping Company Ltd	Freight and other intercompany charges	11	15
Jamaica Freight & Shipping Company Ltd	Services provided by Jamaica Freight & Shipping Company Ltd	47	34
Jamaica Freight & Shipping Company Ltd	Freights collected on behalf of JP Shipping Services Ltd	394	306
		Amount due (to)/from related party at 31 December 2012 £000	Amount due (to)/from related party at 31 December 2011 £000
Jamaica Freight & Shipping Company Ltd		86	341

Jamaica Freight & Shipping Company Ltd is a related party as the chairman of Jamaica Producers Group is also the chairman of Jamaica Freight & Shipping Company Ltd