

JP Shipping Services Limited

Annual report and financial statements

Registered number 01034009

31 December 2016

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Strategic report

The Strategic Report is prepared in accordance with The Companies Act 2006 (Strategic Report and Directors' Report) Regulation 2015:

Review of the business and future developments

In a challenging market the company generated a pre-tax profit of £466,000 for the year ended 31 December 2016 (2015: £420,000) which the directors consider a strong performance given the current economic environment.

An increase in turnover (9%), consistent margins and stable fixed costs have resulted in favourable profitability outcomes. The continuing campaign to emphasise the company's presence in the sector is resulting in an encouraging growth in revenue from commercial freight forwarders, whilst increased advertising expenditure is generating a favourable impact on sales to private individuals.

The medium to long term objectives remain to continue to show a return for our shareholders in an environment of intense competition. This objective will be met by introducing initiatives to increase the volume of shipments and take additional market share.

The results for the year are shown on page 7.

Principle risks and uncertainties

The main specific areas of risk are:

Market risk

JP Shipping Services operates in the competitive environment of freight forwarding and logistics. As with any company, JP Shipping Services is exposed to market risks arising from existing competitors and new service providers.

In order to mitigate the risks JP Shipping Services undertakes the following main focuses:

- a) Work closely with customers to ensure their requirements are met and expectations exceeded.
- b) Monitor and refine cost base and inputs to ensure the business maintains its ability to provide the best quality service at competitive prices.
- c) Adoption of a continuous improvement culture in all areas of activity.
- d) Promote technology advancements, to improve customer service, efficiency and revenue.

Currency risk

JP Shipping Services' currency risk is concentrated in freight costs that are predominantly charged in US dollars. Commercial customers are quoted and invoiced in dollars mitigating most currency risk; however private individuals are invoiced in sterling giving rise to the potential for margin variance, resulting from exchange rate movement. Management consider currency risk to be low in the medium term and do not use derivatives to manage currency rate fluctuation.

In May 2016 the UK voted to leave the European Union, whilst this decision has led to currency rate fluctuation, it is only once final negotiations have been completed on the single market and trade relationships, that the company will be able to understand the impact this may have in the long term. Directors are keeping abreast of the latest developments and are actively considering mitigation strategies.

Capacity risk

Approximately fifty seven percent of the company's pre-tax profit is generated in the final quarter of each year. Since the number of vessels and carriers sailing to and from the Caribbean is limited, the possibility of an excess of demand for available space presents a risk of not being able to meet customer delivery requirements. The company manages this exposure by early negotiation with carriers and the pre-booking of space on vessels.

Strategic report (continued)

Key Performance Indicators

2016 KPI's	Current year £000	Budget £000	Prior year £000
Turnover	5,976	5,478	5,484
Gross profit	1,600	1,365	1,516
Gross profit margin	27%	25%	28%

The overall increase in turnover and gross profit is due to increased volumes particularly in export freight forwarding and private individual sales, however, we have seen a 1% decrease in gross profit margin in part caused by fluctuating exchange rates and the cargo mix in our export containers.

By order of the board



Robert Smith
Director

23 May 2017

Directors' report

The directors present their Directors' report and financial statements for the year ended 31 December 2016.

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 Caribbean.

Dividends

Dividends paid during the year comprised a final dividend of £2,000 per ordinary share totalling £200,000 (2015: £50,000).

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
Stephen Leonard Chaplin (appointed 23 November 2016)

Political and charitable contributions

The Company made no political or charitable donations during the year (2015: £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.

Other information

There are no significant events which have occurred since the end of the financial year that have not been included in the Strategic Report on page 1.

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

23 MAY 2017

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 FRS102 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 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 2016 set out on pages 7 to 20. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

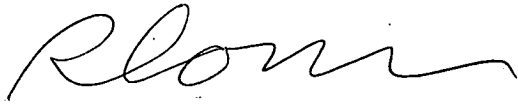
- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

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.



Richard Lomax (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX

26 May 2017

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 December 2016

	<i>Note</i>	2016 £000	2015 £000
Turnover	2	5,976	5,484
Cost of sales		(4,376)	(3,968)
Gross profit		1,600	1,516
Administrative expenses		(1,125)	(1,089)
Operating profit	3-5	475	427
Interest receivable and similar income	6	2	2
Interest payable and similar expenses	7	(11)	(9)
Profit before taxation		466	420
Tax on profit	8	(95)	(87)
Profit for the financial year		371	333

The profit and loss account presents all items of income and expense recognised in both 2016 and 2015. There are no items of other comprehensive income in either year.

Balance sheet
at 31 December 2016

	Note	2016 £000	2015 £000
Fixed assets			
Intangible assets	9	201	221
Tangible assets	10	1,470	1,464
Current assets		1,671	1,685
Stock	11	16	7
Debtors	12	1,021	1,034
Cash at bank and in hand		573	638
		1,610	1,679
Creditors: amounts falling due within one year	13	(1,172)	(1,381)
Net current assets		438	298
Total assets less current liabilities		2,109	1,983
Creditors: amounts falling due after more than one year	14	(373)	(421)
Provisions for liabilities			
Deferred tax liability	16	(5)	(2)
Net assets		1,731	1,560
Capital and reserves			
Called up share capital	17	-	-
Profit and loss account		1,731	1,560
Shareholders' funds		1,731	1,560

These financial statements were approved by the board of directors on 23rd May 2017 and were signed on its behalf by:


Robert Smith
Director
23 May 2017

The notes on pages 10 to 20 form part of these financial statements

Statement of Changes in Equity

	Called up share capital £000	Profit & loss account £000	Total equity £000
Balance at 1 January 2015	-	1,277	1,277
Total comprehensive income	-	333	333
Dividends: being total contributions and distributions to owner	-	(50)	(50)
Balance at 31 December 2015	-	1,560	1,560

	Called up share capital £000	Profit & loss account £000	Total equity £000
Balance at 1 January 2016	-	1,560	1,560
Total comprehensive income	-	371	371
Dividends: being total contributions and distributions to owner	-	(200)	(200)
Balance at 31 December 2016	-	1,731	1,731

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.

JP Shipping Services Limited is a private company limited by shares and incorporated and domiciled in Wales in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The amendments to FRS102 issued in July 2015 has been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, Jamaica Producers Group includes the Company in its consolidated financial statements. The consolidated financial statements of Jamaica Producers Group are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from Producers House, 6A Oxford Road, Kingston 5, Jamaica. 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 end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Jamaica Producers Group include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

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

The company has taken advantage of the exemption under FRS 102.33.21 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 Jamaica Producers Group Limited are publicly available.

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 23.

Measurement convention

The financial statements are prepared on the historical cost basis.

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.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future which is at least 12 months from the approval of these financial statements. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Notes (continued)

1 Accounting policies (continued)

Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the company.

The company recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

On transition to FRS102, the Company elected not to restate business combinations that took place prior to transition date. In respect of acquisitions prior to 1 January 2014, goodwill is included on the basis of its deemed cost, which represents the amount recorded under old UK GAAP. Intangible assets previously included in goodwill, are not recognised separately.

Intangible assets

Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. In accordance with FRS 102.35, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

Goodwill continues to be amortised to nil by equal annual instalments over its estimated useful life of twenty years. Provision is made for any impairment.

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill is tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill may be impaired.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The principle annual rates used for this purpose are:

- plant and equipment - 20%
- fixtures and fittings - 20-33%

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

No depreciation charge is made on buildings as it would be immaterial due to the length of the estimated remaining useful economic life and because the estimated residual value of the tangible fixed asset is not materially different from the carrying amount of the asset. A review for impairment is undertaken at the end of each reporting period.

Notes (continued)

1 Accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, in bringing them to their existing location and condition.

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Expenses

Operating leases

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.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, 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 includes 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.

Impairment excluding stocks, and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Notes (continued)

1 Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are translated into Sterling 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 Sterling 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. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

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. 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.

2 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. Revenue on shipping services is recognised once the vessel has sailed.

	2016 £000	2015 £000
Rendering of services	5,976	5,484

91% of all turnover was invoiced to customers within the United Kingdom and the remainder to customers within the Caribbean (2015: 96%).

Notes (continued)

3 Expenses and auditor's remuneration

	2016 £000	2015 £000
<i>Profit on ordinary activities before taxation is stated after charging/(crediting):</i>		
Depreciation	10	8
Amortisation and goodwill	20	20
Hire of land and buildings – operating leases	69	71
Profit/(loss) on foreign exchange	14	6
Profit on disposal of fixed assets	1	-
Auditor's remuneration:		
Audit of these financial statements	14	16

4 Directors' remuneration

	2016 £000	2015 £000
Directors' remuneration	81	75
Company contributions to money purchase pension plans	6	6
	87	81

	Number of directors	
	2016	2015
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	1	1

5 Staff numbers and costs

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

	Number of employees	
	2016	2015
Warehouse	3	3
Administration	20	20
	23	23

The aggregate payroll costs of these persons were as follows:

	2016 £000	2015 £000
Wages and salaries	643	643
Social security costs	62	59
Contributions to defined contribution plans	52	50
	757	752

Notes (continued)

6 Interest receivable and similar income

	2016 £000	2015 £000
Bank interest	2	2

7 Interest payable and similar charges

	2016 £000	2015 £000
Bank loan interest	11	9

8 Taxation

Total tax expense recognised in the profit and loss account:

	2016 £000	£000	2015 £000	£000
<i>Current tax</i>				
Current tax on income for the period	92		89	
Adjustments in respect of prior periods	-		-	
Total current tax		92		89
<i>Deferred tax (see note 16)</i>				
Origination and reversal of timing differences	3		(2)	
Total deferred tax		3		(2)
Total tax		95		87

Notes (continued)

8 Taxation (continued)

Reconciliation of effective tax rate

	2016 £000	2015 £000
Profit for the year	371	333
Total tax expense	95	87
Profit excluding taxation	466	420
Tax using the UK corporation tax rate of 20% (2015: 20.25%)	93	85
Non-deductible expenses	2	2
Total tax expense included in profit or loss	95	87

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions 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. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 December 2016 has been calculated based on these rates.

9 Intangible fixed assets

	Goodwill £000
Cost	
At beginning and end of year	400
Amortisation	
At beginning of year	179
Charge for year	20
At end of year	199
Net book value	
At 31 December 2016	201
At 31 December 2015	221

Amortisation is charged to Administration Expenses in the Profit and Loss Account. The remaining amortisation period is 10 years.

Notes (continued)

10 Tangible fixed assets

	Plant and Machinery £000	Furniture and office equipment £000	Buildings £000	Total £000
Cost				
At beginning of year	55	143	1,425	1,623
Additions	14	2	-	16
Disposals	(18)	-	-	(18)
At end of year	51	145	1,425	1,621
Depreciation				
At beginning of year	30	129	-	159
Charge for the year	4	6	-	10
Disposals	(18)	-	-	(18)
At end of year	16	135	-	151
Net book value				
At 31 December 2016	35	10	1,425	1,470
At 31 December 2015	25	14	1,425	1,464

11 Stock

	2016 £000	2015 £000
Packaging and containers	16	7

12 Debtors

	2016 £000	2015 £000
Trade debtors	853	591
Amounts owed by group undertakings	14	236
Prepayments and accrued income	111	160
Other debtors	43	47
	1,021	1,034

Notes (continued)

13 Creditors: amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	925	699
Amounts owed to group undertakings	-	412
Bank loans and overdrafts (see note 15)	48	45
Other creditors	31	35
Accruals and deferred income	115	122
Corporation tax	53	68
	<u>1,172</u>	<u>1,381</u>

14 Creditors: amounts falling due after more than one year

	2016 £000	2015 £000
Bank loans and overdrafts (see note 15)	<u>373</u>	<u>421</u>

15 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2016 £000	2015 £000
Creditors falling due more than one year		
Secured bank loans	<u>373</u>	<u>421</u>
Creditors falling due within less than one year		
Secured bank loans	<u>48</u>	<u>45</u>

Terms and debt repayment schedule

In March 2015 the company entered into a loan for £500,000 which is secured against the company's leasehold property. The loan is repayable in 60 equal monthly instalments of £4,716 followed by a final payment of an amount sufficient to repay the loan and interest in full. The loan incurs interest at a rate of 2.01% above base rate.

Notes (continued)

16 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets 2016 £000	2015 £000	Liabilities 2016 £000	2015 £000	Net 2016 £000	2015 £000
Accelerated capital allowances	-	-	9	8	9	8
Short term provisions	(4)	(6)	-	-	(4)	(6)
Net tax (assets) / liabilities	<u>(4)</u>	<u>(6)</u>	<u>9</u>	<u>8</u>	<u>5</u>	<u>2</u>

The net reversal of deferred tax assets and liabilities expected to occur in the next reporting period is £1,000.

17 Called up share capital

	2016 £	2015 £
<i>Allotted, called up and fully paid</i>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meeting of the Company.

18 Commitments

- As at 31 December 2016 there were capital commitments of £Nil (2015: £nil).
- 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 (2015: £50,000). This is held in an Escrow account and remains at £50,000 (2015: £50,000) as at the balance sheet date.

19 Pension scheme

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 £52,000 (2015: £50,000).

Notes (continued)

20 Operating leases

Non-cancellable operating leases rentals are payable as follows:

	2016 £000	2015 £000
Less than one year	69	51
Between one and five years	77	19
More than five years	48	70

21 Ultimate parent undertaking

Jamaica Producers Group Limited, a company incorporated in Jamaica and registered at Producers House, 6A Oxford Road, Kingston 5, Jamaica, WI, 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.

22 Related party transactions

All outstanding balances with group undertakings and fellow subsidiaries are disclosed within notes 12 and 13.

The directors consider the material transactions undertaken by the company during the years ended 31 December 2016 and 31 December 2015 with parties related to the company (other than fellow subsidiaries of the Jamaica Producers Group – see note 1) were as follows:

Name of party	Type of transaction	Transaction amount during year ended 31 December 2016 £000	Transaction amount during year ended 31 December 2015 £000
Jamaica Freight & Shipping Company Ltd	Freight and other intercompany charges	32	21
Jamaica Freight & Shipping Company Ltd	Services provided by Jamaica Freight & Shipping Company Ltd	49	42
Jamaica Freight & Shipping Company Ltd	Freights collected on behalf of JP Shipping Services Ltd	458	280
		Amount due (to)/from related party at 31 December 2016 £000	Amount due (to)/from related party at 31 December 2015 £000
Jamaica Freight & Shipping Company Ltd		287	242

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.

23 Estimates and Judgements

The Directors have reviewed the trade debtors outstanding at the balance sheet date and confirmed that they do not foresee any issues over the recovery of the debtors. A prudent provision has been put in place for any recoverability concern.