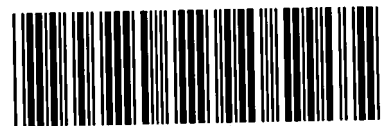


Company Registration No. 01034009 (England and Wales)

JP SHIPPING SERVICES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017
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JP SHIPPING SERVICES LIMITED

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JP SHIPPING SERVICES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

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

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

Fair review of the business

In a challenging market the company generated a pre-tax profit of £300,000 for the year ended 31 December 2017 (2016: £466,000) which the directors consider a strong performance given the current economic environment.

The continuing campaign to emphasise the company's presence in the sector is resulting in an encouraging growth in revenue from exporting commercial freight forwarders, whilst increased advertising expenditure is generating a favourable impact on sales to private individuals. However, the loss of some key import accounts has seen a small fall in turnover this year down 2.5%, whilst margins have remained fairly stable down just 1%.

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.

Principal 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 the 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.

JP SHIPPING SERVICES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

Key performance indicators

2017 KPI's

	Current year £000	Budget £000	Prior year £000
Turnover	5,827	5,332	5,975
Gross profit	1,492	1,451	1,599
Gross profit margin	26%	27%	27%

The small decrease in turnover and gross profit is due in part to the loss of some key import accounts, however these losses have been largely offset by particularly strong growth in export freight forwarding and private individual sales however, we have seen a 1% decrease in gross profit margin in part cause by fluctuating exchange rates and the cargo mix in our export containers.

On behalf of the board



Robert William Smith

Director

17 April 2018

JP SHIPPING SERVICES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £000	2016 £000	2016 £000
Fixed assets				
Goodwill	6		182	201
Tangible assets	7		1,476	1,470
			<u>1,658</u>	<u>1,671</u>
Current assets				
Stocks	8	9	16	
Debtors	9	1,147	1,021	
Cash at bank and in hand		456	573	
		<u>1,612</u>	<u>1,610</u>	
Creditors: amounts falling due within one year	10	(1,168)	(1,172)	
Net current assets			<u>444</u>	<u>438</u>
Total assets less current liabilities			<u>2,102</u>	<u>2,109</u>
Creditors: amounts falling due after more than one year	12		(325)	(373)
Provisions for liabilities	13		(4)	(5)
Net assets			<u><u>1,773</u></u>	<u><u>1,731</u></u>
Capital and reserves				
Called up share capital	14	-	-	-
Profit and loss reserves	15		1,773	1,731
			<u><u>1,773</u></u>	<u><u>1,731</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 17 April 2018 and are signed on its behalf by:



Robert William Smith
Director

Company Registration No. 01034009

JP SHIPPING SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Share capital £000	Profit and loss reserves £000	Total £000
Balance at 1 January 2016		-	1,560	1,560
Year ended 31 December 2016:				
Profit and total comprehensive income for the year		-	371	371
Dividends		-	(200)	(200)
Balance at 31 December 2016		-	1,731	1,731
Year ended 31 December 2017:				
Profit and total comprehensive income for the year		-	242	242
Dividends		-	(200)	(200)
Balance at 31 December 2017		-	1,773	1,773

JP SHIPPING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

JP Shipping Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is Main ABP Building (South Entrance), Alexandra Dock, Newport, NP20 2NP.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1,000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below and have been applied consistency to all periods presented in these financial statements.

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 purpose 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 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 102.3.21 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.

1.2 Going concern

The company has a strong cash position together with contracts with a number of customers and suppliers across different geographical 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.

JP SHIPPING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (Continued)

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided during the year, and is shown net of VAT and other sales related taxes.

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

1.4 Intangible fixed 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.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	- 20% straight line
Fixtures and fittings	- 20-33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

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.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

JP SHIPPING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

JP SHIPPING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 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.

JP SHIPPING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

2 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 amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

(i) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. At each reporting date debtors are assessed to determine whether there is objective evidence of impairment. Debtors are impaired if there is objective evidence that indicates that a loss event has occurred after the initial recognition of the debtor, 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 the profit and loss.

3 Auditor's remuneration

	2017	2016
	£000	£000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	7	14
	<u> </u>	<u> </u>

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017	2016
	Number	Number
Warehouse	3	3
Administration	23	20
	<u> </u>	<u> </u>
	26	23
	<u> </u>	<u> </u>

JP SHIPPING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

4 Employees (Continued)

Their aggregate remuneration comprised:

	2017 £000	2016 £000
Wages and salaries	663	643
Social security costs	57	62
Pension costs	49	52
	<u>769</u>	<u>757</u>

5 Directors' remuneration

	2017 £000	2016 £000
Remuneration for qualifying services	77	81
Company pension contributions to defined contribution schemes	6	6
	<u>83</u>	<u>87</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2016 - 1).

6 Intangible fixed assets

	Goodwill £000
Cost	
At 1 January 2017 and 31 December 2017	400
Amortisation and impairment	
At 1 January 2017	198
Amortisation charged for the year	20
At 31 December 2017	<u>218</u>
Carrying amount	
At 31 December 2017	<u>182</u>
At 31 December 2016	<u>201</u>

Amortisation is charged to Administrative Expenses in the Profit and Loss. The remaining amortisation period is 9 years.

JP SHIPPING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

7 Tangible fixed assets

	Leasehold land and buildings £000	Plant and equipment £000	Fixtures and fittings £000	Total £000
Cost				
At 1 January 2017	1,425	51	145	1,621
Additions	-	8	10	18
Disposals	-	(5)	-	(5)
At 31 December 2017	1,425	54	155	1,634
Depreciation and impairment				
At 1 January 2017	-	16	135	151
Depreciation charged in the year	-	5	7	12
Eliminated in respect of disposals	-	(5)	-	(5)
At 31 December 2017	-	16	142	158
Carrying amount				
At 31 December 2017	1,425	38	13	1,476
At 31 December 2016	1,425	35	10	1,470

8 Stocks

	2017 £000	2016 £000
Raw materials and consumables	9	16

9 Debtors

	2017 £000	2016 £000
Amounts falling due within one year:		
Trade debtors	762	853
Amounts owed by group undertakings	176	14
Other debtors	44	43
Prepayments and accrued income	165	111
	1,147	1,021

Trade debtors are stated after a provision for impairment amounting to £86,246 (2016: £64,670).

JP SHIPPING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

10 Creditors: amounts falling due within one year

	Notes	2017 £000	2016 £000
Bank loans and overdrafts	11	48	48
Trade creditors		938	925
Corporation tax		11	53
Other creditors		36	31
Accruals and deferred income		135	115
		<u>1,168</u>	<u>1,172</u>

11 Loans and overdrafts

	2017 £000	2016 £000
Bank loans	<u>373</u>	<u>421</u>
Payable within one year	48	48
Payable after one year	<u>325</u>	<u>373</u>

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.

12 Creditors: amounts falling due after more than one year

	Notes	2017 £000	2016 £000
Bank loans and overdrafts	11	<u>325</u>	<u>373</u>

13 Provisions for liabilities

	Notes	2017 £000	2016 £000
Deferred tax liabilities		<u>4</u>	<u>5</u>

JP SHIPPING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

14 Share capital

	2017	2016
Ordinary share capital		
Issued and fully paid		
100 ordinary shares of £1 each	100	100
	<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 meetings of the Company.

15 Profit and loss reserves

	2017 £000	2016 £000
At the beginning of the year	1,731	1,560
Profit for the year	242	371
Dividends declared and paid in the year	(200)	(200)
	<u>1,773</u>	<u>1,731</u>

16 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Carol Warburton.
The auditor was Baldwins Audit Services Limited.

17 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £000	2016 £000
Within one year	88	69
Between two and five years	56	77
In over five years	-	48
	<u>144</u>	<u>194</u>

JP SHIPPING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

18 Financial commitments, guarantees and contingent liabilities

a) As at 31 December 2017 there were capital commitments of £Nil (2016: £Nil).

b) 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 (2016: £50,000). This is held in an Escrow account and remains at £50,000 (2016: £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 £49,000 (2016: £52,000).

20 Related party transactions

Transactions with related parties

The directors consider the material transactions undertaken by the company during the years ended 31 December 2017 and 31 December 2016 with parties related to the company (other than fellow subsidiaries of the Jamaica Producers Group) were as follows:

Name of related party	Description of transaction	Income		Payments	
		2017	2016	2017	2016
		£000	£000	£000	£000
Jamaica Freight & Shipping Company Ltd	Freight and other intercompany charges	-	-	45	32
Jamaica Freight & Shipping Company Ltd	Services provided by Jamaica Freight & Company Ltd	-	-	47	49
Jamaica Freight & Shipping Company Ltd	Freights collected on behalf of JP Shipping Services Ltd	497	458	-	-

Amounts owed to/by related parties

The following amounts were outstanding at the reporting end date:

	Amount owed to		Amounts owed by	
	2017	2016	2017	2016
	£000	£000	£000	£000
Jamaica Freight & Shipping Company Ltd	-	-	182	287

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

21 Ultimate parent undertaking

Jamaica Producers Group Limited, a company incorporated in Jamaica and registered at 4 Fourth Avenue, Newport West, Kingston 13, 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.