



中遠海運控股股份有限公司
COSCO SHIPPING Holdings Co., Ltd.

COSCO (UK)



SECTOR
TRANSPORT & INFRASTRUCTURE

REGION
EUROPE, ASIA

Cosco (UK) Ltd is the UK arm of the global Cosco empire, the fourth largest cargo shipping company in the world. The UK operation employs 50 staff of its own and boasts a turnover of nearly GBP 31.5m (USD 40.9m). That figure excludes Cosco Maritime, a containership leasing company acquired by Cosco (UK) at the end of 2017. The core UK business operates seven container ships on a route from China to Europe, with various stop-off ports in between, and acts as logistical hub for the wider group's European operations.

CHALLENGE

Cosco (UK) operates in a complex global industry, where competition is fierce and an empty ship haemorrhages money.

From an administrative perspective, the company also faces the challenge of being a cog in a much larger international operation. Its Shanghai-based parent company is one of the world's leading cargo shipping operators, operating 373 container vessels across 400 international and domestic routes. A cargo capacity of nearly 21 million TEU (Twenty-Foot Equivalent – a common measure of shipping capacity) in 2017 makes it the fourth largest shipping line in the world, and the biggest in Asia. The Chinese company also supplies a series of related services, employing train and trucking teams to provide a true door to door supply-chain solution.

Cosco (UK) benefits from this global reach, offering a smooth and uninterrupted container line service to its clients. At the same time, being part of a larger foreign-owned corporation can add a layer of complexity to financial planning and auditing.

SOLUTION

Cosco (UK) has been working with UHY Hacker Young (UHY HY), London,

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UK, since the shipping company was founded in 1988. Director Romeo Mendoza remembers the decision to get UHY HY on board.

“In 1988 we were a small company, and I knew somebody at UHY HY so I contracted them to do our first audit. What we needed after that was continuity, a company that could stay with us as we added volume. They got to know our business and the industry well and it was logical to stay with them.”



UHY Hacker Young has conducted the company's audit every year since, with one exception. Romeo says that on that occasion he was persuaded against his better instincts to engage a top six accountancy firm instead. He would not do so again. “They just didn't know the business the way UHY did, they asked a lot of questions and the whole process was slower and less efficient. The next year, we went back to UHY Hacker Young,” he adds.

Romeo currently works closely with Mital Shah, Martin Jones, Richard Lloyd-Warne and the team at UHY Hacker Young's London office. UHY HY handles the company's audit and tax report, offering expert advice alongside traditional accountancy services.

RESULT

The most significant result of three decades of collaboration is simply

that, as Romeo says, “we do not want to change.” He adds that UHY HY's expert help is invaluable during audit, when the Chinese holding company also monitors results closely.

“We know that the Chinese company will raise questions every year, so that continuity is important. When questions are asked we know we can pass them on to the team at UHY and get an answer within the hour,” he says.

Romeo believes that they make the audit process as straightforward and pain-free as possible. He values how quickly the team responds to requests, which reinforces Cosco's own business efficiency, meaning decisions can be taken without delay.

“Because of the good relationship we have built with UHY HY we know that if we have a question to ask out of the blue, we can just call them,” he says.

Cosco (UK) recently asked for UHY's specialist advice as it looked to diversify its business – particularly during the purchase of Cosco Maritime, its new container ship leasing company. UHY helped the purchase progress smoothly, and as Cosco (UK) looks to the future, it knows that the deep relationship it has forged with UHY Hacker Young over 30 years will help it chart a tranquil course.

UHY IN THE SUPPLY CHAIN SECTOR

From shipping and trucking companies to specialist manufacturers, UHY have a world of expertise in the supply chain sector. Our specialists are acutely aware of the complexities of a fast-moving industry, where timely and accurate information is vital. Services include cross-border tax and audit services, advising on corporate structure, finance advice and the purchase and sale of assets.