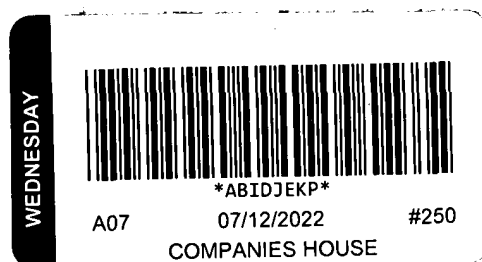


“K” Line Holding (Europe) Limited

Report and Financial Statements

31 March 2022



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Company Information

Directors

A Misaki
Y Sonobe

Secretary

B Y Ramlalsing

Independent Auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF

Bankers

Mizuho Bank Limited
30 Old Bailey
London EC4M 7AU

Registered Office

6th Floor
200 Aldersgate Street
London EC1A 4HD

Registered No. 05005018

Strategic Report

The Directors present their Strategic Report for the financial year ended 31 March 2022.

Results and dividends

The profit for the financial year amounted to £90,170 (2021 - £116,180).

The Directors recommended final dividends of £NIL (2021 - £ NIL).

Principal activities and review of the business

The Company is an investment holding and financing company. Investments are principally held in respect of wholly owned shipping and general shipping agency companies in the UK. Details of the investments held by the Company are set out in Note 10 to the financial statements.

Business reviews in respect of the Company's principal UK investments for the year ended 31 March 2022 are included in the individual financial statements of the companies listed in Note 10.

The Company's key financial performance indicators during the year were as follows:

	2022	2021	Change
	£000	£000	%
Profit for the financial year	90	116	(22%)
Total Shareholders' funds	98,460	98,369	0.1%
Cash and cash equivalents	7,517	2,179	245%

The profit for the financial year is principally attributed to dividends received from the Company's subsidiaries and unlisted investments during the year of £107,356 (2021: £117,600). The reduction in dividends received is attributed to dividend reduction from its unlisted investment.

The cash balance increased by 245% which is attributed to the return of intercompany loan received in the year.

There were no non-financial KPIs used to monitor business performance in the year.

Principal risks and uncertainties

Principal risks

The principal risks and uncertainties facing the Company include the cyclical nature of the shipping industry in which its investments operate, in the UK and globally. The carrying value of the investments is reviewed by the Directors annually against the investments' underlying business performance and net assets.

Legislative risks

In the UK and Europe, the main legislative risks are EU competition law, employment law, UK Bribery Act and tax laws. These standards are subject to continuous revision. Non-compliance with ever increasing regulation and legislation is a risk for the company.

Covid-19 Impact

The worldwide spread of Covid-19 from January 2020 caused serious disruption in the economic environment both in and outside UK. In March 2020, we successfully implemented our business continuity plan. The Directors have assessed the actual and projected impact of Covid-19 on our business. As the group companies still require the services of the Company as an investment and holding company, we saw no decline or change in risk based on business activity during the year. The Directors do not foresee a material impact on the business in the foreseeable future.

Strategic Report (continued)

Brexit, Russia/Ukraine Conflict, and Inflation from energy prices

The Directors have assessed actual impact of Brexit, Russia/Ukraine conflict and Inflation from energy prices and do not consider there is major impact on the business due to its business nature as investment holding and financing company.

Cyber security risk

Over the years, cyber-attacks have continued to proliferate, escalating in frequency, severity, and impact. The COVID-19 pandemic has accelerated technological adoption yet exposed cyber vulnerabilities and unpreparedness. We rank cyber security as one of our top priority tasks.

Looking at the year ahead, we continue to develop more partnerships with industry experts, regulatory policy makers and educate our employees through e-learning and sessions delivered by senior managers and our digital security consultants. The programme is driving real change in awareness, but we remain vigilant as the threat continues to evolve.

Financial risk management

Treasury operations and financial instruments

The Company operates a treasury function which is responsible for managing the liquidity, credit and market/price risks associated with the Company's activities.

The Company has established a risk and financial management framework whose primary objectives are to mitigate the exposure of the Company to risks that hinder the achievement of the Company's performance objectives with support from its immediate and ultimate parent company Kawasaki Kisen Kaisha, Ltd and its group companies. The objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

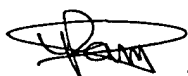
The Company manages its cash flow in order to maximise interest income and minimise interest expense, whilst ensuring the Company has sufficient liquid resources to meet the operating needs of the business.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Company policies are aimed at minimising such losses. The receivables for the company are intercompany related. Hence, the credit risk is low.

The key board decisions approved during the year were made in line with the strategic goals and objectives of both the Company and the ultimate parent company Kawasaki Kisen Kaisha, Ltd

By order of the Board



B Y Ramlalsing

Secretary

Date: 1st December 2022

Directors' Report

The Directors present their Directors' Report and audited financial statements of "K" Line Holding (Europe) Limited (the "Company") for the financial year ended 31 March 2022.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

A Misaki
Y Sonobe

Dividends and financial risk management

Dividend and financial risk management disclosures are included in the Strategic Report on page 4.

Future developments

The Company's overall business is expected to continue in the same direction over the coming year and to the same extent as for the year ended 31 March 2022. The Directors do not foresee a material impact of Covid-19 on the business in the foreseeable future.

Going concern

The business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and its exposures to price, credit, liquidity and cash flow risk are described in the Strategic Report. The Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook and Covid-19 impact.

The Directors believe that the Company has adequate resources to continue in operational existence for the 12-month period from the date that these accounts were approved. The Directors continue to adopt the going concern basis in preparing the financial statements.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

Statement of Directors' responsibilities

The directors are responsible for preparing the Report and Financial Statements in accordance with applicable law and regulation.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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. In preparing the financial statements, the directors are required to:

Directors' Report (continued)

Statement of Directors' responsibilities (continued)

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

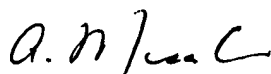
The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditors

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board



A Misaki

Managing Director

Date: 1st December 2022

Independent auditors' report to the members of "K" Line Holding (Europe) Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of "K" Line Holding (Europe) Limited for the year ended 31st March 2022 which comprise; the Income Statement, the Balance Sheet, the Statement of comprehensive income, the Statement of changes in equity and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31st March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, comprising FRS 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.

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 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5 and 6, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are United Kingdom Accounting Standards, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; Companies Act 2006, Data Protection Act 1998, Proceeds of Crime Act 2002, Money Laundering Regulations 2003, UK Bribery Act, UK Tax Regulation and Health and safety regulations.
- We corroborated our enquiries through our review of board minutes, as well as consideration of the results of our audit procedures and noted that there was no contradictory evidence. We identified management's attitude and tone from the top to embed a culture of honesty and ethical values whereby a strong emphasis is placed on fraud prevention which may reduce opportunities for fraud to take place. We further understood the adoption of accounting standards and determined the compliance with the above laws with management.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by understanding the business processes, obtaining and reading internal policies, holding enquiries of management as to any fraud risk framework within the entity.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved :
 - Enquiry of management as to any fraud risk framework within the entity.
 - Enquiry of management around actual and potential litigation and claims.
 - We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by considering the risk of management override and by assuming revenue to be a fraud risk. We performed journal entry testing to specifically address the risk of management override. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.

-
- o Challenging judgements made by management. This included corroborating the inputs and considering contradicting evidence in our work performed over the value in use estimates for vessels at the year-end
 - o Reading financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.



Mohan Pandian (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditors

London

Date: 2nd December 2022

Income Statement

for the year ended 31 March 2022

		Year ended 31 March 2022	Year ended 31 March 2021
	Note	£	£
Administrative expenses		(48,560)	(38,902)
Operating loss	2	(48,560)	(38,902)
Income from participating interests	6	107,356	117,600
Interest receivable and similar income	7	23,388	134,474
Interest payable and similar expenses	8	3,955	(97,325)
Profit before taxation		86,139	115,847
Tax credit on profit	9	4,031	333
Profit for the financial year		90,170	116,180

All amounts relate to continuing activities.

The notes on pages 14 to 21 form an integral part of these financial statements.

There are no recognised gains and losses other than the profit for the year (2021: none). Accordingly, a separate statement of other comprehensive income is not presented.


Balance Sheet

as at 31 March 2022

	Note	31 March 2022 £	31 March 2021 £
Fixed assets			
Investments	10	<u>90,976,515</u>	<u>90,976,515</u>
Current assets			
Debtors	11	5,913	5,259,410
Cash at bank and in hand		<u>7,517,349</u>	<u>2,178,672</u>
		<u>7,523,262</u>	<u>7,438,082</u>
Creditors: amounts falling due within one year	12	<u>(40,224)</u>	<u>(45,214)</u>
Net current assets		<u>7,483,038</u>	<u>7,392,868</u>
Total asset less current liabilities		<u><u>98,459,553</u></u>	<u><u>98,369,383</u></u>
Capital and reserves			
Called up share capital	13	90,479,013	90,479,013
Retained earnings		<u>7,980,540</u>	<u>7,890,370</u>
Total shareholders' funds		<u><u>98,459,553</u></u>	<u><u>98,369,383</u></u>

The notes on pages 14 to 21 form an integral part of these financial statements

The financial statements on pages 11 to 21 were approved by the Board of Directors and signed on their behalf by:



A Misaki
Managing Director

Date: 1st December 2022

Statement of Changes in Equity

for the year ended 31 March 2022

	Called up share capital £	Retained earnings £	Total shareholders' funds £
At 1 April 2021	90,479,013	7,890,370	98,369,383
Profit and total comprehensive income for the year	-	90,170	90,170
At 31 March 2022	<u>90,479,013</u>	<u>7,980,540</u>	<u>98,459,553</u>

	Called up share capital £	Retained earnings £	Total shareholders' funds £
At 1 April 2020	90,479,013	7,774,190	98,253,203
Profit and total comprehensive income for the year	-	116,180	116,180
At 31 March 2021	<u>90,479,013</u>	<u>7,890,370</u>	<u>98,369,383</u>

Notes to the financial statements

for the year ended 31 March 2022

1. Accounting policies

General Information

The Company is a private company limited by shares and is incorporated in the United Kingdom and registered in England. The address of its registered office is 6th Floor, 200 Aldersgate Street, London, EC1A 4HD.

The principal activity of the Company continues to be investing in and financing wholly and partly owned shipping and general shipping agency companies in the UK.

Statement of compliance

The financial statements of "K" Line Holding (Europe) Limited have been prepared in compliance with the United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS 102") and the Companies Act 2006.

The company is a wholly owned subsidiary of Kawasaki Kisen Kaisha, Ltd and is included in the consolidated financial statements of Kawasaki Kisen Kaisha, Ltd which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 401 of the Companies Act 2006.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

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

Exemptions for qualifying entities under FRS 102

FRS 102 allows qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

- i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows prepared by ultimate parent company, includes the Company's cash flows;
- ii) from providing the financial instruments disclosures set out in sections 11 and 12 of FRS 102;
- iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv);
- iv) from disclosing the Company key management personnel compensation in total, as required by FRS 102 paragraph 33.7.
- v) from the exemption available in Section 33.1A of FRS 102 from disclosing transactions with related parties.

Notes to the financial statements (continued) for the year ended 31 March 2022

1. Accounting policies (continued)

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the 12-month period from the date that these accounts were approved. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

As stated in Strategic Report on page 3, the Directors do not foresee a material impact of Covid-19 on our business in the foreseeable future.

Investments

Investments in subsidiaries, associates and trade investments are stated at cost less provision for impairment. Impairment reviews are carried out if there is an indication of a reduction in value. Dividends from investments are recognised in the Income Statement as interest from participating interest when received or approved for payment by the investee.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in profit or loss.

Taxation

i) Current tax

Current tax is provided using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date on the excess of taxable income and allowable expenses.

ii) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

i) Functional and presentation currency:

The Company's functional and presentation currency is GBP.

ii) Transactions and balances

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

Gains and losses on exchange are recognised in the Income Statement.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks and bank overdrafts. Bank overdrafts, when applicable, are shown within creditors in current liabilities.

Notes to the financial statements (continued) for the year ended 31 March 2022

1. Accounting policies (continued)

Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

i) Financial assets

Basic financial assets, including debtors and cash and bank balances, are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

Loans and receivables are non-derivative financial instruments which have a fixed or easily determinable value. They are recognised at cost, less any provisions for impairment in their value.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

ii) Financial liabilities

Basic financial liabilities, including other creditors and short-term loans, 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 receipts discounted at a market rate of interest.

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

Interest payable is incurred on loans owed to group undertaking which is recognised in the Income Statement it accrues, using the effective interest method.

iii) Offsetting

Financial assets and liabilities are offset and 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.

Interest bearing loans and borrowings

All interest-bearing loans and borrowings are initially recognised at net proceeds. After initial recognition the debt is increased by the finance cost in respect of the reporting period and reduced by repayments made in the period. Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount.

Dividends

Dividends from investments are recognised in the Income Statement as interest from participating interest when received or approved for payment by the investee.

Critical accounting judgements and estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors; including expectations of future events that are reasonable under

Notes to the financial statements (continued) for the year ended 31 March 2022

1. Accounting policies (continued)

Critical accounting judgements and estimation uncertainty (continued)

the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The Company has critical accounting judgements in the following area:

Carrying value of investments

The Company has assessed whether there are any indicators that the carrying value of its investments are impaired. It is the opinion of management that no impairment has occurred in the value of its investments.

2. Operating loss

This is stated after charging:

	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Net (gain)/loss on foreign currency translation	(3,955)	8,121
Auditors' remuneration (note 3)	24,750	22,500

3. Auditors' remuneration

	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Audit of the financial statements	24,750	22,500
	<u>24,750</u>	<u>22,500</u>

4. Directors' remuneration

Neither remuneration nor any pension was paid in respect of the Directors from the company (2021: NIL).

The remuneration of Mr Misaki is paid by the company's subsidiaries, "K" Line (Europe) Limited and "K" Line Bulk Shipping (UK) Limited and is disclosed in the relevant companies' financial statements. It is not possible to make an accurate apportionment of his remuneration in respect of the Company and no recharge is made.

The remuneration of Mr Sonobe is paid by the parent company, Kawasaki Kisen Kaisha, Ltd. Their services to this company and to a number of fellow subsidiaries are of a non-executive nature and their remuneration is deemed to be wholly attributable to their services to the parent company. Accordingly, these financial statements include no remuneration in respect of them.

Notes to the financial statements (continued)

for the year ended 31 March 2022

5. Staff costs

No staff costs were paid by the Company during the year (2021: NIL) and the average number of staff during the year was NIL (2021: NIL).

6. Income from participating interests

	Year ended 31 March 2022	Year ended 31 March 2021
	£	£
<i>Dividends from:</i>		
Subsidiaries (Note 10)	100,000	100,000
Unlisted investment	7,356	17,600
	<u>107,356</u>	<u>117,600</u>

7. Interest receivable and similar income

	Year ended 31 March 2022	Year ended 31 March 2021
	£	£
Bank interest receivable	5,876	4,977
Loan interest receivable	17,512	129,497
	<u>23,388</u>	<u>134,474</u>

8. Interest payable and similar expenses

	Year ended 31 March 2022	Year ended 31 March 2021
	£	£
Loan interest payable	-	89,204
Foreign exchange (gain)/loss on retranslation of loans	(3,955)	8,121
	<u>(3,955)</u>	<u>97,325</u>

9. Tax on profit

(a) Tax on profit

The tax (credit)/charge is made up as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
	£	£
<i>Current tax:</i>		
UK corporation tax (credit)/charge on profit for the year	(4,031)	(333)
Total tax (note 9(b))	<u>(4,031)</u>	<u>(333)</u>

Notes to the financial statements (continued)

for the year ended 31 March 2022

9. Tax on profit (continued)

(b) Factors affecting tax (credit)/charge for the year

The tax assessed for the year is lower (year ended 31 March 2021: lower) than the standard rate of corporation tax in the UK of 19% (year ended 31 March 2021 – 19%). The differences are explained below:

	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Profit before taxation	86,139	115,847
Profit multiplied by standard rate of corporation tax in the UK of 19% (year ended 31 March 2021 – 19%)	16,366	22,011
<i>Effects of:</i>		
Income not subject to tax	(20,397)	(22,344)
Total tax (credit) for the year (note 9(a))	(4,031)	(333)

Factors affecting current and future tax charges

In the Spring Budget 2021, the Government announced that the corporation tax rate will increase to 25% from 1 April 2023. The corporation tax rate increase was included in the Finance Bill 2021 and substantively enacted on 24 May 2021. Subsequently, on 23 September 2022, the government announced that the increase in the Corporation Tax main rate to 25% from 1 April 2023 (previously announced at Spring Budget 2021) would no longer go ahead. The Corporation Tax main rate will, therefore, remain at 19% from 1 April 2023.

10. Investments

	Associate £	Investment in subsidiaries £	Unlisted investments £	Total £
Balance at 1 April 2021	-	90,969,873	6,642	90,976,515
Additions	-	-	-	-
Disposals	-	-	-	-
Balance at 31 March 2022	-	90,969,873	6,642	90,976,515

In the opinion of the Directors, the aggregate value of the investment in subsidiary undertakings is no less than the amount at which they are stated on the Balance Sheet.

Notes to the financial statements (continued)

for the year ended 31 March 2022

10. Investments (continued)

Details of the investments in which the Company holds 20% or more of the nominal values of the class of share capital at 31 March 2022 are as follows:

<i>Name of Company</i>	<i>Holding</i>	<i>Proportion of voting rights held</i>	<i>Nature of business</i>
<i>Subsidiary undertakings:</i>			
"K" Line Bulk Shipping (UK) Limited	Ordinary shares	100%	Shipping
"K" Line LNG Shipping (UK) Limited	Ordinary shares	100%	Shipping
"K" Line (Europe) Limited	Ordinary shares	100%	Shipping

Unlisted investments:

The Company also owns 10% of the issued share capital of "K" Line Logistics (UK) Limited which was acquired on 1 January 2004 for £6,642.

The company's registered office address is: 671 Spur Road, North Feltham Trading Estate, Feltham, Middlesex, TW14 0SL

11. Debtors

	<i>31 March 2022</i>	<i>31 March 2021</i>
	<i>£</i>	<i>£</i>
Loans owed by group undertaking	-	5,256,234
Prepayments and accrued income	5,913	3,176
	<u>5,913</u>	<u>5,259,410</u>

Loans owed by group undertakings were repaid on 28th February 2022.

12. Creditors: amounts falling due within one year

	<i>31 March 2022</i>	<i>31 March 2021</i>
	<i>£</i>	<i>£</i>
Amounts owed to group undertakings	986	6,251
Accruals and deferred income	39,238	38,963
	<u>40,224</u>	<u>45,214</u>

Loans and amounts owed to group undertakings are unsecured and governed by a rolling contract, with interest rates fixed every 3 months based on LIBOR at the date of agreement, and repayable within 5 working days once demanded.

Notes to the financial statements (continued) for the year ended 31 March 2022

13. Called up share capital

Ordinary shares of £1 each

Allotted, called up and fully paid

	No.	£
At 1 April 2021	<u>90,479,013</u>	<u>90,479,013</u>
At 31 March 2022	<u>90,479,013</u>	<u>90,479,013</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital. 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.

14. Related party transactions

The Company has taken advantage of the exemption available in Section 33.1A of FRS 102 from disclosing transactions with related parties, which are 100% owned and controlled within the Kawasaki Kisen Kaisha, Ltd group. There are no other related party transactions.

15. Ultimate parent undertaking and controlling party

The immediate and ultimate parent undertaking and controlling party is Kawasaki Kisen Kaisha, Ltd, which is incorporated in Japan.

The financial statements of Kawasaki Kisen Kaisha, Ltd, which represent the smallest and largest group in which the Company is consolidated, are available from Kawasaki Kisen Kaisha, Ltd, Lino Building, 1-1, Uchisaiwaicho 2-Chome, Chiyoda-ku, Tokyo 100-8540, Japan.